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AUTHOR Kotler, Neil G.
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ABSTRACT

This pamphlet provides information on the history of and current trends toward neighborhood economic enterprises and provides guidance for setting up such enterprises. A bibliography of books, articles, and newsletters that have information on how to start and sustain neighborhood businesses and cooperatives is provided. Also included is a list of individuals, organizations, and government agencies that provide technical and financial assistance to such enterprises. Profiles of viable neighborhood economic enterprises in every major region of the United States are presented. These profiles illustrate the origins, development, and problems common to neighborhood economic enterprises. Areas covered include: (1) housing and neighborhood preservation: (2) food cooperatives and urban agriculture: (3) alternative technology and energy projects: and (4) neighborhood financial organizations. (APM)

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Neighborhood Economic Enterprises

An Analysis, Survey, and Guide To Resources in Starting up Neighborhood Enterprises

Neil G. Kotler
Project Director and Author

With Assistance From
Joseph Dahms

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The National Association of Neighborhoods is a membership organization of 70 neighborhood groups (including city-wide coalitions and umbrella groups) and 300 individuals. The N.A.N. is controlled by its membership and its 56-member Board of neighborhood leaders.

The N.A.N. has three goals: (1) to make neighborhood organizations more effective at local levels; (2) to put neighborhood leaders on an equal footing with leaders from other sectors of society, thereby giving them a national policy voice; and (3) to educate the public about the neighborhood movement.

To achieve these goals, the N.A.N. publishes a monthly bulletin; holds national, regional, and topical meetings; operates 11 task forces; arranges meetings between neighborhood leaders and federal, state, and local officials; undertakes research projects; and conducts projects which assist neighborhood organizations in local activities.

In April, 1977, the membership of the N.A.N. authorized the formation of a Task Force on Neighborhood Economic Development. The goals of this Task Force are: (1) to address federal, state, local, and private policies and actions which affect economic revitalization in neighborhoods; and (2) to provide neighborhood organizations with models and resources which will increase their effectiveness in undertaking economic development activities. In pursuance of these goals, the Task Force developed and undertook this project to examine neighborhood-based business enterprises. In the near future, the Task Force plans to undertake further study of the support systems and operation of such enterprises.

Margaret Reuss
Chairperson, N.A.N. Task Force on
Neighborhood Economic Development

Milton Kotler
Executive Director
N.A.N.

ABOUT THE NEIGHBORHOOD POLICY SERIES

Neighborhoods are important. Our own research has shown that people tend to identify more strongly with their neighborhoods than with the cities or metropolitan areas of which they are a part, and residents' satisfaction depends heavily upon their interpersonal relations within neighborhoods. Moreover, the willingness of most people to invest time and resources in the solution of problems depends heavily upon how close those problems come to their own front porch.

Therefore, any plan to upgrade the quality of life for American citizens or to strengthen urban communities is closely tied to the effectiveness of neighborhoods.

The Kettering Foundation's interest in neighborhoods evolved naturally out of research begun several years ago into disinvestment patterns in cities. As a result of this work, our mission in citizen involvement was restructured to focus more directly on strengthening urban neighborhoods. Since that time the neighborhood movement has taken off nationally, and many important organizations have become involved in it. In fact, neighborhoods are an important element in President Carter's National Urban Policy.

Despite the current interest in neighborhoods, however, our feeling is that the economic potential of neighborhoods has not been fully understood or utilized.

Consequently, we have shifted our emphasis away from the disinvestment question to an examination of the basic economic structure in neighborhoods. We realize that the flow of capital into neighborhoods, while critical, is only one element necessary for viable neighborhoods. The overall purpose of our efforts is to evaluate existing programs and theories in order to assess their potential contribution to revitalization and economic development of neighborhoods. As a result of such analysis, we hope to identify policies useful for a wide spectrum of metropolitan areas.

Our research agenda includes seeking ways of a) optimizing use of local resources, b) recirculating local dollars, c) developing local entrepreneurial capacities, and d) developing economic institutions controlled by residents.

Operating within this framework, the staff has undertaken several small-scale projects to fill in some of the informational gaps in the research agenda. This series on Neighborhood Policy is a result of collaborative efforts with organizations such as the National Association of Neighborhoods, the South Shore National Bank of Chicago, and the Institute on Man and Science.

Preliminary results of these projects suggest that neighborhood policy should be designed to achieve, at least, the following outcomes:

1) providing opportunities for the poor to accumulate capital and become more integrated into the economic and social fabric of society.
2) encouraging the development of a neighborhood economy to provide convenient access to needed services and to part-time employment for youth as well as adults from single-parent or working-family households.
3) encouraging more self-reliant living patterns for residents which, in the long-run, could lower the cost of public services.
4) decreasing the susceptibility of the poor to national and regional economic downturns which often cause them to lose their jobs.
5) improving amenities in poor neighborhoods — which could lead to an upward investment spiral.

Our work in neighborhood economic development continues, and as efforts in this area are completed, they will be incorporated into this series.

James E. Kunde
Director, Urban Affairs
Charles F. Kettering Foundation

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INTRODUCTION

Purpose of the Study

This pamphlet seeks to accomplish four things:

—furnish a bibliography of books, articles, and newsletters that can be consulted on how to start and sustain neighborhood economic enterprises, and a list of individuals, organizations, and government agencies that provide technical and financial assistance to such enterprises;

—provide profiles of viable neighborhood economic enterprises in every major region of the United States that represent every major form of enterprise to illustrate the origins, development, and problems that are common to many such enterprises;

—inform policy makers as well as citizens of the contribution neighborhood economic enterprises make to revitalizing efforts in urban neighborhoods and cities; and

—encourage citizens and community organizations to undertake self-help economic enterprises accountable to neighborhood residents as a means of generating income, employment, commerce, and other services.

The Author wishes to acknowledge the assistance of Nan Roman and Yolanda Ackles of the National Association of Neighborhoods staff.

What are Neighborhood Economic Enterprises?

What do a neighborhood tavern in Atlanta, a food co-op in New Haven, a renovated tenement with a windmill and solar panels in New York City's Lower East Side, and a soap factory in Washington, D.C., have in common? Or a firm in Mississippi that makes attic step ladders and part of whose income is plowed back into a nonprofit community development corporation? Or a community credit union in San Juan, Texas, whose depositors and borrowers are Mexican-American workers and migrant laborers? Or, finally, a worker-managed printing company that prints most of the newsletters and literature published by community organizations in Grand Rapids, Michigan?

These and hundreds of other enterprises like them are part of a growing sector of the economy that can be called "neighborhood-based economic enterprises." They have a great deal in common. For the most part they are located in low-income or otherwise marginal central city neighborhoods. They tend to be nonprofit or else place the goal of maximizing earnings on the same footing as that of service to the community. They usually have boards or advisory committees composed of community people, and offer products and services that are important to the neighborhood. Most of them are small-scale, self-help enterprises that started with privately-raised funds, including foundation grants, and in some cases attracted government support later on. They survive, in large part, through the voluntary work of members or residents.

These enterprises can take one of several legal forms. One might start as a food buying club that 10 or so households organize to reduce the cost of their purchases. Later, the club might expand into a storefront operation, form a membership co-op, and rent a vacant A & P in the neighborhood. Or the enterprise might be instituted by a community organization to reverse the physical and commercial decline of its neighborhood. It might decide to launch a community development credit union and appeal to residents to deposit their savings in this new institution rather than in lending institutions downtown or in the suburbs. In this way the neighborhood can hold its own income and invest it in revitalizing its own homes and businesses. A neighborhood enterprise could also evolve out of a worker collective, such as a bicycle repair shop owned by the workers themselves, who at some later point recognize the importance of community support and set up a joint worker-community board for the business. In some cases such an enterprise might go the government route, apply for funding from the Community Services Administration in Washington (the successor to the Office of Economic Opportunity), and set up a community development corporation that consists of a profit-making subsidiary for economic development and a nonprofit corporation to provide social services.

Neighborhood economic enterprises have come about for very practical reasons. America's large central cities and the neighborhoods that constitute them have reached a state of near ruin as a result of years of governmental neglect, disinvestment by lending institutions, economic decline, and poverty. Community-minded citizens and community organizations have banded together for their own survival and, cut off from outside sources of funds and technical expertise, developed out of their own pooled resources the means and instruments for the redevelopment of their communities. A great many historical influences—ideas as well as institutions that go back far in America's history—have shaped this economic movement. The influence of the Great Society programs of the

1960s was critical. Programs such as community action job training, and Headstart showed that while inner-city neighborhoods need a variety of community services, without commerce, investment capital, and employment opportunities responsive to the community, there is little chance for them to make real inroads against poverty, crime, housing deterioration, and dependency on distant authority.

Historical Influences

America has a long tradition of local self-government, citizen participation, community control, and self-help. There is an unbroken line from the earliest Puritan communities of New England, whose small towns and congregations made their own decisions, to the block clubs of Baltimore, the low-income housing cooperatives in New York City, and the neighborhood associations in Minneapolis. There has always existed a deep belief in the moral superiority and practical advantage of small associations over massive bureaucracies, local control over centralized government, and self-help societies over outside experts.

In the 1830s one of the most astute observers of the American nation, Alexis de Tocqueville, found remarkable the Americans' tendency to form groups to further their ambitions or pursue their interests. He recognized, of course, that Americans placed the highest premium on individualism. But when collective action became necessary, they preferred small, voluntary associations to big organizations and even bigger governments. In his classic, *Democracy in America*, Tocqueville remarked:

> How does it happen [in America] that everyone takes as zealous an interest in the affairs of his township, his county, and the whole state as if they were his own? It is because everyone, in his sphere, takes an active part in the government of society. . . . No sooner do you set foot upon American ground than you are stunned by a kind of tumult . . . a thousand simultaneous voices demand the satisfaction of their social wants. . . . To take a hand in the regulation of society and to discuss it is his biggest concern and, so to speak, the only pleasure an American knows.
>
> (Phillips Bradley edition, vol. 1, Vintage Books, 1945, pp. 252-260)

In the 19th century numerous small-scale utopian communities like New Harmony and Brook Farm were begun. Farmers formed agricultural cooperatives. As industrialization and immigration began to overwhelm rural, small-town America in the latter part of the century, other more urban-oriented associations were formed to solidify ethnic groups, factory workers, and even paupers. During the Great Depression numerous food and other types of consumer cooperatives were formed for mutual protection and as a way to reduce the cost of goods. Following World War II the great trek to the suburbs, yet another expression of the historic preference for small associations and local self-government, was underway.

The major influences shaping neighborhood self-help strategies and community economic development occurred in the 1960s. The Civil Rights Movement and the numerous legal, voting, and employment rights decisions rendered by the Supreme Court made possible an expanded definition of the rights of minorities and low-income groups. This culminated in the "War on Poverty" and the Great Society programs that were put into place by mid-decade.

The Great Society, particularly the community action program, generated a strong consciousness of local community and citizen action in urban areas. This reinforced an already existing movement toward community control and "participatory democracy" that had originated in the universities and spread to inner-city neighborhoods. Besides raising the principle of community control and strengthening neighborhood solidarity, the community action program also recruited a large number of new community activists who had a stake in new participatory institutions as well as federal funds.

Community action emphasized the delivery of social services to low-income neighborhoods. It found a novel local governmental framework in a neighborhood in Columbus, Ohio, where a local minister and a Washington-based neighborhood organizer won agreement from residents to create the first neighborhood corporation in the country. The local Lutheran church had been operating a settlement-type social services program, and the building and property in which the program operated were turned over to the newly-established nonprofit, tax-deductible neighborhood corporation. Six months later, the corporation received a demonstration grant from the Office of Economic Opportunity (OEO) to develop a community anti-poverty program to be run by the citizens themselves. The most unusual feature of the corporation was the "assembly," modelled after a New England town meeting, in which neighborhood residents, as members of the corporation, met frequently to determine policy and discuss issues.

The traditional community action programs that provided recreation to senior citizens, youth services, day care facilities for working mothers, and limited job training ran into trouble because, while the demands for such services increased, their delivery and funding failed to keep pace. The evolution of a neighborhood corporation in Columbus illustrates the trend that overtook most other programs. After three years, neighborhood leaders faced cutbacks in funds and a growing demand for social services. They chafed at their dependency on federal decisions. The only way

out was for the corporation and neighborhood itself to generate income that could be plowed back into social services.

The search at the local level for ways to generate income coincided with a shift in OEO policy from community action to economic development. On the face of it, community economic development seemed the answer. Job training without local jobs was meaningless. Urban renewal housing programs that displaced the poor and profited speculators and developers was also a dead-end. The solution, it was believed, was to develop within neighborhoods a capability for investment, commerce, employment, and perhaps even production. Low-income credit unions were created. The major vehicle was the community development corporation (CDC), the mission of which was to attract capital into the community and invest it in businesses. The CDC could be a stock corporation in which a majority interest would be held by community residents. The nonprofit neighborhood corporation would operate and control the CDC. OEO provided the seed-money for the initial investments. In theory, then, CDCs would function as collective entrepreneurs, training residents in business and financial management, investing in profitable local businesses, and reaping a good return on the investments.

The CDC concept got a legislative boost from Congress in 1967 with the passage of Title I-D of the Economic Opportunity Act, the "Special Impact" program that in the first year obligated $25 million for research and demonstration projects involving CDCs in low-income rural and urban communities. This program became fully operational in 1972 under a new Title VII, which defined CDCs as operating in the areas of financial, business, housing, and manpower development. The model CDC, on which the legislation was patterned, was the Bedford-Stuyvesant Development Corporation in Brooklyn, which had brought together tens of millions of dollars and vast expertise from big corporations and placed these resources in the control of community residents and managers.

By the late 1960s disillusionment with Great Society programs had set in. Actually, these programs were never fully implemented and funded. The financing of the Vietnam War cut into the "War on Poverty." Nevertheless, ways were being sought to further deemphasize the role of government and upgrade the private sector in community economic development. This climate of opinion was quite compatible with the Nixon presidency. In the campaign of 1968 Nixon devoted much attention to the notions of "black capitalism," self-help, and "minority entrepreneurship." These concepts matched his call for a "New Federalism," or devolution of decision-making to state and local governments and to the private sector. The idea of "black capitalism," which struck sympathetic chords in corporate corridors, was the establishment's answer to the notion of "black power" that had developed with fury in the streets in the late 1960s. The inner-city uprisings of 1967 and 1968 accelerated these programs.

The black capitalism program inaugurated in the Nixon presidency had two principal goals: first, to help develop a strong business class within the minority community with all the managerial and entrepreneurial skills necessary to conduct business; second, to call on the private sector to contribute the development capital that new minority enterprises required. There were two other objectives that were less apparent. Black capitalism signaled a shift from a community to an individualistic context. The new focus was on cultivating black business leaders, individuals of stature in minority communities, rather than on insuring citizen participation. It also signified a shift away from the concerns and needs of the lower class to those of the emergent black middle class. Implicit in this was the assumption that the poorest inner-city communities would remain the wards of the state, relying on it for services; economic development, on the other hand, to the extent that it meant business, could only be undertaken by an entrepreneurial elite.

Unfortunately, it was not just black capitalism that undermined community participation and control. The community development approach typified by the CDCs also had individualistic tendencies. CDCs began to concentrate on profit-making investments and running businesses, and in the process many of them lost sight of the anti-poverty goals they were originally set up to accomplish. Managers replaced citizen activists on the ground that business decisions that ultimately would benefit a low-income community could not be left in the hands of community boards. They were more comfortable with the idea of plowing back surplus into new investments than having portions of it siphoned off for expenditures on community programs.

By the 1970s the historic search for small associations to solve collective problems and replace big government intensified. Reaction in the sixties to urban renewal and neighborhood-destroying expressways led to numerous neighborhood victories. Resistance to technology and corporate power gave rise to small-scale, alternative technology projects. Inflation led to organized consumer action and the search for cooperative approaches to business enterprise. Resurgent ethnic pride resulted in stronger loyalties in urban neighborhoods. The Vietnam War further discredited already suspect national institutions. And the deepening decay of cities generated new forms of organization at the neighborhood level.

That decay manifested itself in the schools, in housing, in unemployment, and in crime. But in one area, in

particular, citizen frustration and outrage led to effective political action. The practice known as "redlining" had been around a long time. Lending institutions for years had circled in red the sections of cities in which they refused to invest their monies or else would do so only nominally. Deliberate policies of disinvestment in inner-cities and their so-called marginal neighborhoods were employed, irrespective of how much money residents in the communities deposited in these lending institutions. This meant that newcomers in redlined areas could not obtain mortgage money, or that residents could not find loans for home improvements. This, combined with high interest rates and a record of failure of federal housing programs in big cities, resulted in abandoned, boarded up homes, declining property values, and the general running down of neighborhoods.

The anti-redlining campaigns of the early 1970s sharpened the awareness of the importance of credit and credit institutions. Side-by-side with the lack of housing credit was the lack of credit for small businesses. The cost of doing business in inner-city neighborhoods became prohibitive as crime, drug addiction, and arson scared away customers, insurance brokers, and lenders. Large neighborhoods went without food stores and other commercial services. The closing down of neighborhood businesses led back to the central concern of how to reverse disinvestment and get new capital, income, and employment opportunities back into the neighborhoods.

The emerging model of community economic development is one that is best characterized by community self-reliance and self-help. There will, of course, always be the need for outside private and public capital. But there is also a growing recognition of the untapped financial resources, skills, and energies that are internal to neighborhoods. Consumer cooperatives, worker-managed enterprises, and sweat equity housing cooperatives are examples of self-help applied to the economic arena. Community development credit unions, neighborhood development banks, and community skill banks are examples of community self-reliance. The object of these various forms of enterprise is to keep community income within the community as much as possible; to enable residents to invest in lending institutions within the community that, in turn, will be loaned out for residents' housing and commercial needs; and to encourage residents to buy from their own stores rather than spend their income far away from their community.

Neighborhood economic enterprises have proved attractive because:

- any enterprise that generates strong community loyalties is bound to have good customers as well as a beneficial economic and sociological impact;
- community-sponsored enterprises encourage sacrifices, the volunteering of work and other services that, in turn, can lower overhead costs;
- community-based enterprises, like cooperatives or nonprofit corporations, spread business risk among a large number of individuals and, therefore, make it more manageable;
- such enterprises are often attractive to philanthropic institutions such as foundations and are eligible for government funds under a variety of programs.

FORMS OF NEIGHBORHOOD-BASED ECONOMIC ENTERPRISE

Cooperatives (Co-ops)

Cooperatives (co-ops) are owned and controlled by their members through a board of directors composed of members. In many co-ops, but not all, members purchase shares, but regardless of the number of shares, each member has one vote. Members may also derive income through rebates, or patronage dividends, or else benefit from the services to which membership entitles them. If the board of directors approves a rebate, it is usually proportional to the number of shares owned. It may be paid in cash or else through the transfer of additional shares. Sometimes, particularly in food co-ops, rebates vary with the amount that members purchase. Co-ops that do not offer rebates usually offer services such as auto and home insurance, pre-paid legal assistance, or discounts on travel.

Cooperatives enjoy one advantage over corporations: to the extent that earnings derive from members' patronage (as opposed to income that derives from rents, dividends, or interest) and income is distributed to the members, they can avoid tax liability altogether. Corporations are taxed twice insofar as corporate earnings are taxed as well as the stockholder's earnings. With cooperatives, members are taxed only on their patronage earnings. A co-op's net earnings that are not distributed to members are taxed at ordinary corporate rates.

Historically, two types of co-ops have evolved. Traditional, or so-called "old wave," co-ops are generally oriented to financial growth and professional management; they offer members a variety of services in place of sole emphasis on lower prices on goods; and they usually do not get involved in local political issues. Old wave co-ops also tend to serve memberships spread across metropolitan areas, whereas newer co-ops usually define their membership in terms of a particular neighborhood.

Though there are exceptions to the rule, so-called "new wave" co-ops, many of which grew out of the anti-war movement—the disillusionment with established institutions and the search for alternative community-oriented institutions—generally have a voluntary work requirement for members; they experiment with worker self-management; they emphasize lower prices on products rather than services; and in the case of food co-ops, they are oriented to health foods. Most food co-ops serve only members, although some sell to non-members as well. In the latter case non-members pay a higher mark-up, as do members who fail to fulfill their work requirement in co-ops that impose such a requirement.

Co-ops are an attractive organization because of the strong loyalties among members, the spirit of self-help, sharing, and community they generate, the relatively low prices they offer, and the spreading of business risks among a large group of investors. Where there are shortcomings, they may derive from a lack of professional management, low wages for employees, limited capital, and dependence on the reliability of members in carrying out their responsibilities.

Co-ops function in virtually every economic area—most frequently in food and housing, but also in auto repair, optical services, and health care. They vary considerably in size. Agricultural co-ops are among the oldest and largest in the country. Established consumer co-ops like the Berkeley Co-op in California and Greenbelt Co-op in the Washington, D.C. area gross millions of dollars in sales annually. Most new wave food co-ops are small storefront enterprises whose sales run in the tens of thousands of dollars. The food-buying club is a type of cooperative, except that usually such clubs are informal unincorporated arrangements among several households. This depends on state law and also on the requirements of wholesalers, some of whom deal only with groups registered as business firms.

As of 1976, an estimated 5,000 consumer co-ops and buying clubs existed, with $38 million in assets and nearly $500 million in retail volume. There were 800 housing cooperatives with some 500,000 residents and assets of $5.8 billion, and 15 health care cooperatives involving 400,000 members and having assets of $120 million.

Worker-Controlled Enterprises

Also known as "worker collectives" or "worker-managed," these enterprises differ from partnerships, where the partners are a group apart from the employees, and from stock corporations, which are

owned and controlled by a group of investors other than the employees.

Worker-controlled enterprises can take one of several legal forms:

a) direct employee ownership of marketable shares in a corporation (a worker-owner who leaves can sell his shares to another worker, the company, or an outside investor, in which case worker-control would be weakened);

b) a partnership, in which the members do not buy and sell blocks of shares, but rather buy and sell interests in the partnership (a change of partners requires a new agreement and partners are usually liable for partnership debts and damage judgments, unlike a stock corporation);

c) a producer or consumer co-op in which ownership and control are vested in the producer and/or consumer members, each of whom has one vote;

d) a nonprofit corporation which in most cases is organized for purposes other than to distribute income or profits to its members, officers, or directors—such as charity, civic improvement, education, or the advancement of a trade or profession (it can pursue gainful activity, and provide reasonable compensation to officers or directors, but is constrained to use its income for the stated purposes rather than pecuniary interest);

e) a for-profit, stock corporation, the shares of which are nonmarketable, i.e., new members or investors are issued "membership certificates" for a nominal fee, which are nontransferable, and are surrendered when the member or investor leaves;

f) a for-profit, stock corporation in which shares are placed in a trust controlled by the workers, with a nominal trustee other than the workers, or else in a "business trust" (in some states) which is controlled by the holders of the trust-shares issued by the trust.

There may be advantages and disadvantages to each of these forms, depending upon the particular circumstances. Some argue that employee stock ownership or partnership over the long run is antithetical to worker control as worker-owners or partners leave, and shares or interests are either unequally accumulated by the remaining ones or else sold to outsiders. For this reason, a business trust is favored as the means to sustain worker ownership and equality. Corporations also have important advantages over partnerships, insofar as they remove personal liability for business losses from the worker-owners.

Most worker-controlled neighborhood enterprises are nonprofit associations or corporations, governed by boards of directors composed of full-time workers, or else mixed boards of workers and community residents. A variation of this is a board of full-time workers who make the day-to-day decisions and a second board of workers and community residents who make general policy.

Community Development Corporations (CDCs)

Community development corporations (CDCs) are organizations originated and controlled by persons living in impoverished areas for the purpose of planning, promoting, financing and, wherever possible, operating and owning businesses that generate income, employment, and economic opportunity. Of all the forms of community enterprise, CDCs have received the most support and capital from the federal government.

The oldest CDC, Progress Enterprises in Philadelphia, was organized in 1962. Virtually all other existing CDCs, however, got started as a result of the Federal "Special Impact" program in 1967, which was created in Title I-D of the Economic Opportunity Act. The late Senator Robert Kennedy had brought together a group of influential New York business leaders who, along with urban experts, created the Bedford-Stuyvesant Corporation to promote economic development in this very large and predominantly low-income black neighborhood in Brooklyn, New York. That corporation was a model for many others and the first to receive substantial federal support. Two separate, but interrelated, corporations were, in fact, launched: a Development and Services Corporation controlled by outside investors, representing the biggest banks and corporations in the city, and a Restoration Corporation which was community-controlled and represented community interests. CDCs combine outside capital (federal as well as investor funds) with community initiative and control.

The earliest CDCs in the 1960s were initially organized as nonprofit corporations under OEO's community action program that channelled funds into urban neighborhoods for use in human and social

services—e.g., day care, services for the elderly, youth services, etc. When government funds lagged and the costs of social services rose, community groups searched for an alternative institution that could generate income to support social services. By the late 1960s the community service concept was merged with the community economic development under the Special Impact program. CDCs were reorganized to attract outside investors. This was accomplished by creating for-profit subsidiaries or even a holding company that operated under the parent nonprofit community corporation. Whereas the purpose of the nonprofit CDC is to provide services, subsidiaries have as their mission the creation of capital and economic development. Most CDCs are required to invest in designated "impact" areas.

CDCs raise start-up or venture capital through federal and state agencies as well as business corporations and foundations. Although there is much variation, some CDCs have also issued stock for investors and for community residents who in principle must retain the controlling interest. For example, three types of stock might be issued: a Class A stock with voting privileges that community residents may purchase; a Class B stock which is issued in exchange for capital contributions and is held in a trust for the benefit of the parent nonprofit CDC; and a Class C stock which is sold to outside investors and does not include voting privileges. Once initial capital is raised, CDCs can borrow from commercial sources or else obtain federally guaranteed credit.

Many CDCs have organized for-profit holding companies that resemble conglomerates. These companies can have wholly-owned firms that manufacture or market goods in one area, hold a minority interest in firms in completely different areas, and participate along with other firms in economic development ventures in a third area. Urban CDCs, typically, have invested in real estate and small manufacturing firms. The holding company and the for-profit subsidiaries are controlled by boards of directors, as is the parent nonprofit corporation. Usually, the board of the latter controls the former, and it is customary for some of the earnings of the profit-making subsidiaries to flow into the nonprofit service-oriented activities of the parent CDC.

There are more than 500 CDCs operating in the country, both in urban and rural areas, about 40 of which are funded by the Community Services Administration. Technical assistance is available from two federally supported organizations—the Center for Community Economic Development in Cambridge, Massachusetts, and the National Economic Development Law Project in Berkeley, California.

Community Development Credit Unions

Credit unions are financial cooperatives in which the depositors and borrowers are the owners themselves, governed by a board of directors whom the members elect. The first credit union began more than a hundred years ago. For most of its history it was restricted to memberships that shared some "common bond" such as employment or associational ties, for example, a church, lodge, or social club.

Credit unions pay interest to depositor-members, which is called a dividend, and they are regulated, either by states or by federal charter. Until recently, credit unions were restricted to making small loans for home improvements, purchase of automobiles, travel, and other personal uses. Loans typically were short-term. In 1977 new legislation, however, enabled federally-chartered credit unions to offer 30-year home mortgages (conventional, VA, or FHA), 15-year mobile home loans, 15-year home improvement loans, and also to extend lines of credit to members. It is estimated that there are over 10,000 credit unions with assets of approximately $50 billion.

Community development credit unions have as their mission the investment and use of a community's income for its own improvements and the extending of credit to residents who have been unable to meet their credit needs through conventional lenders. This was made possible in 1965 when the Office of Economic Opportunity funded on a demonstration basis "Low-Income Credit Unions" to fight decay in low-income urban and rural communities. In 1972 residential common bond became an accepted criterion for organizing credit unions. As a result, close to 500 of these credit unions were organized and funded by OEO and its successor, the Community Services Administration, up to 1972, when the Nixon Administration withdrew federal support. However, some 200 of these OEO-originated credit unions still exist with assets of approximately $22 million, outstanding loans of about $82 million, and 125,000 members.

Community development credit unions are successors to low-income credit unions. They are a response, like the earlier OEO-organized ones, to decades of disinvestment (or redlining by banks) in central city neighborhoods as well as in poor rural communities. A good example of central city disinvestment is found in a recent study of credit policies in Chicago. In 1974, the study showed three of the major banks were channeling 76-95% of their loans to the suburbs, and six of the largest with $144 million in savings deposits from

south and west side Chicago neighborhoods were plowing back a mere one-half cent on the dollar in home loans to the same depositor communities. The lack of credit in older central city neighborhoods contributed greatly to the housing deterioration, wholesale abandonment of buildings, and the drying up of commerce so vital to neighborhood life. With disinvestment, the only credit available was at exorbitant rates.

Community development credit unions operate on the assumption that even in the poorest neighborhoods there is considerable income. In the absence of indigenous businesses and responsive financial institutions, this income winds up as deposits in banks or purchases from businesses in areas far removed from the particular community. Development credit unions function as community reinvestment institutions. Making available loans to neighborhood residents, even borrowers who are considered high-risk by conventional lenders, and recirculating residents' funds within the neighborhood, community credit unions supply much needed capital for housing rehabilitation and commercial revitalization.

The National Center for Urban Ethnic Affairs in Washington has developed a national clearinghouse for non-member deposits in community development credit unions. Foundations, corporations, churches, and civic groups are invited to deposit their funds, up to $40,000 per account, in dividend-bearing federally-insured development credit unions recommended by the National Center. These nonmember share deposits, which may exist for one-three years, are then used by the community credit unions for operating expenses and to supplement their capital. By May, 1977, nearly $2 million was raised in nonmember deposits, and 17 such credit unions in the country have been the recipients of these deposits. In addition, outside investors can also deposit their funds on a no-interest basis, or else make grants to the National Center, which are, in turn, used for technical and financial assistance to affiliated credit unions. An off-shoot of the National Center's program, Alternative Economics, Inc., in Washington, D.C., is another major source of support for community development credit unions.

Neighborhood Development Bank

Research shows that there is considerable income in even low-income neighborhoods, but that most of it is invested or spent outside the community because of bank redlining practices and the lack of sufficient commerce to handle the needs of residents.

Like community development credit unions, a neighborhood development bank is created to assist in the economic development as well as the credit needs of a community. The first such bank arose in South Shore, Chicago, a residential neighborhood of approximately 85,000 people, located on the lakefront seven miles south of Chicago's downtown. Up until the 1960s, South Shore was predominantly white, ethnic, middle-class. During the sixties blacks moved in and whites moved out. Typical redlining and disinvestment practices followed, housing deteriorated, and commerce disappeared.

The major bank in the community—the South Shore National Bank—at its peak had assets of $80 million. As the population changed, the directors decided to reduce operations and made plans to relocate outside the area. Bank services dwindled, banking hours were reduced and as a result, assets dropped to $46 million and deposits to $41 million. In 1972 the bank lent only $59,000 for two mortgages in the community. The directors found a group willing to purchase the bank on condition that it would be relocated in downtown Chicago. They applied to the Comptroller of the Currency for permission on the ground that business no longer was feasible in the South Shore community.

The South Shore Commission, an active community organization dating back to the 1950s, fought the relocation attempt. The Comptroller finally decided against relocation, finding that the loss of that bank would leave the community "without a strong, established, and adequately capitalized commercial bank." Another group of investors led by Ron Grzywinski, a former president of another southside Chicago bank, eventually bought the bank with the intent of using it to revitalize South Shore. Grzywinski had designed a model of a neighborhood development bank that he and his group believed could serve as a catalyst for revitalization. In August, 1973, the experiment began. The Illinois Neighborhood Development Corporation was established as a holding company that bought the South Shore Bank, and it made plans to form other nonprofit subsidiaries that would furnish development capital, technical assistance, and other forms of community support.

The new owners took immediate action to improve operations. Meetings with residents were held to explain the purposes of the new bank. A citizen advisory committee to the bank was formed. Interest rates were made competitive, banking hours were extended, and a bimonthly newsletter on community matters was created for depositors. The bank was renovated, and a new drive-in facility constructed. It required 26 months for the new owners to turn a profit. Assets by then had increased to $54.5 million and deposits rose to $48 million. In 1976 the bank made a profit of $420,000.

The Federal Reserve Board in 1972 ruled that bank holding companies could make investments in corporations that served to rehabilitate and redevelop low-income areas. In its first offering circular the new board of directors informed the prospective investors:

> While the policy of the corporation is to make loans and investments only in situations which it believes offer a reasonable expectation of return to the corporation, it will not attempt to maximize such return at the expense of its primary goal of developing the neighborhood for the benefit of its residents.

On the banking side the new directors expanded the mortgage and home improvement loans. In 1976, for example, 52 mortgages were made amounting to more than $1 million, and only two became delinquent. Total development credit to the neighborhood, both residential and commercial, increased by nearly 50% in 1977 over 1976 and stood at $16 million. Another for-profit subsidiary, City Land Corporation, was formed with seed capital of $150,000 to purchase, rehabilitate, and lease or sell housing and commercial properties.

On the development side the directors created the Neighborhood Development Center within the bank to furnish technical assistance for community development projects and manage the development loans. "Development deposits" were solicited from individuals and institutions outside the community, and by the end of 1976 amounted to $7.3 million. These deposits, insured like ordinary ones, would be used to hire the Development Center's staff and carry out its functions. In 1976 for a total expenditure of $184,000, the Center was able to generate nearly $3 million in development loans. A nonprofit subsidiary, the Neighborhood Institute, has been established to address community problems and also to channel governmental assistance. It was launched with a $175,000 foundation grant.

The Illinois Neighborhood Development Corporation in only a few years has become the catalyst for neighborhood development that its directors envisaged. It has generated development capital from private investors, business corporations, and foundations; helped develop local financial managerial talent; spurred housing rehabilitation; and furnished technical assistance and the expertise to put together packages of governmental and private support and leverage public investment. Also, it has stimulated other developmental projects such as the South Shore Area Development Company that will generate small business loans and minority business enterprise. There is a new public attitude of confidence which, among other things, has been bolstered by strong price appreciation for single-family homes.

Further information can be obtained from the Neighborhood Development Center, The South Shore Bank, 7054 So. Jeffrey Blvd., Chicago, Illinois 60649 (telephone: 312/288-1000).

Sweat Equity Cooperative Homesteading

In recent years homesteading has become a promising activity for revitalizing inner city neighborhoods, whose housing stock is basically sound. Programs exist in most cities which offer abandoned or delapidated single-family homes for a nominal purchase fee to households who commit themselves to renovating the property and occupying it for a specified period of time. Homesteaders are usually young couples with few or no children. They generally contract for major renovation work, while undertaking the minor work themselves. Homesteading, like real estate speculation, has been criticized as a means for displacing low-income residents by upper-income ones.

"Sweat equity" homesteading differs in several respects. Rehabilitation work is accomplished by the residents themselves, who receive on-the-job training in carpentry, plumbing, masonry, etc. from construction trade workers. A group of households purchases a multifamily housing unit such as a tenement that has been abandoned by the owner as being no longer profitable to operate. The group creates a nonprofit corporation, or housing cooperative, which purchases the property with a loan from the city and obtains commercial loans to cover the renovation and maintenance costs. The sweat equity work sometimes can carry a stipend for the residents if the city is willing to use CETA funds for the rehabilitation work. Regardless of the source of income of the residents, all are required to contribute at least eight hours of labor per week on construction.

Besides loans, the city usually will assist the completed homesteading project through tax abatement or deferral programs.

Some urban homesteading projects also promote energy conservation. Rehab includes insulation, and in a few cases in New York City, such projects have utilized innovative energy-saving techniques such as solar panels and windmills.

Cooperative urban homesteading has proved to be far less costly than homesteading via contractors or building a new unit of public housing. Sweat equity homesteading ranges from $9,000-16,000 per housing unit, as compared to $32,000 for contractor rehabilitation, or in excess of $45,000 for constructing a new unit of public housing.

Community Investment Trust

A community investment trust is a self-help financial vehicle—often utilized by community development or other nonprofit corporations--that is set up by a group of individuals in a definable community for charitable or business purposes.

A prominent example of such a trust is the Zion Non-Profit Charitable Trust established in North Philadelphia. In 1966 Reverend Leon Sullivan, a prominent minister and community leader, won approval from the members of his congregation, the Zion Baptist Church, to raise from them contributions of $10 per household per month for a 36-month period. He sought to demonstrate that considerable capital for investment is available in low-income inner city neighborhoods. These contributions are converted to shares of stock in Progress Investment Associates, Inc. (formerly, Zion Investment Associates, Inc.), a for-profit community development corporation. Known as the "10-36 Plan," Reverend Sullivan's plan raised over $1 million through subscriptions, a portion of the income of which went into a charitable trust and another portion into the corporation. In the early 1970s a ruling by the Securities Exchange Commission made it possible to enroll individuals living anywhere in the country in the "10-36 Plan."

The Zion Trust is part of a larger corporation that in a period of several years acquired real estate, built a shopping center called Progress Plaza, and then bought an electronics firm known as Progress Aerospace Enterprises. The shopping center contains a dozen stores, including an A & P supermarket, a drugstore, and a branch bank. The electronics firm, which was set up with considerable financial and technical assistance from General Electric, manufactures cable and in 1977 had sales of $6.5 million. These enterprises are organized as for-profit subsidiaries.

The trust is a highly flexible and responsive instrument that can play a role in community economic development. Trusts can be established by all types of groups for the purpose of investment and development of a neighborhood community. Further information can be obtained from Zion Non-Profit Charitable Trust, 1501 No. Broad Street, Philadelphia, Pa. 19122.

ISSUES IN STARTING UP ENTERPRISES

Starting up a neighborhood-based economic enterprise involves questions of community participation, financing, legal structure, management, and in many cases access to governmental support. The bibliography and resource list furnish an excellent guide to relevant literature on these questions for individuals, organizations, and government agencies that are engaged in providing assistance to neighborhood enterprises.

The first task in starting up an enterprise is to decide what its purposes are. Besides the objective of providing goods and services to the community and maximizing earnings, one enterprise might emphasize community participation in policy-making; another might seek to enlist members or residents in the operation of the enterprise, for example, as volunteer food handlers or cashiers; and a third might focus on developing a productive activity such as printing or metal work that fits the backgrounds and skills of residents in the community and can provide skills to young people.

A decision on purposes raises the question of what legal form the enterprise might take. For example, a food co-op has very clear advantages in terms of member participation in the management of the enterprise. A co-op also carries tax advantages under certain conditions. However, many co-ops, at least initially, suffer from limited capital. Community Development Corporations by law are organized to involve the residents of the community as owners and policy-makers, are eligible for charitable contributions from outside institutions such as foundations, and are also eligible for many kinds of federal assistance. However, as CDCs generally require a great deal of start-up capital and operate in a very complex legal environment, such enterprises demand legal, technical, and managerial skills far more than other types of enterprise. As CDCs grow, moreover, there is a tendency for management and experts to supercede community participation.

The kinds of goods and services the enterprise will provide are also an important consideration in settling on an organizational form. A major need of many low-income neighborhoods is housing rehabilitation and development. These services require a wholly different kind of financing instrument, as compared to a food store. The closing down of thousands of national chain supermarkets such as A & P in inner-city neighborhoods across the country points to the need for food cooperatives. A number of neighborhood organizations give priority to services to senior citizens such as providing them with supplemental income and outlets for their skills. This purpose has been met by starting up sewing centers that employ senior citizens who do the work in their own homes.

Community Organization

The neighborhood-based enterprise, in order to succeed, has to fulfill the needs of residents in the community. Therefore, in starting up such enterprises the scale and extent of the community that is to be served are prime considerations. Decisions have to be made about market size, the territory to be served, the numbers of households, and whether the neighborhood has a strong enough identity and organization to support the enterprise. Some of the enterprises discussed in the pamphlet serve ethnically diverse communities of 100,000 or more residents. Others exist in small, homogeneous ones. The geographical boundaries of the neighborhood to be served often have to be defined for the purposes of incorporation, or government support.

Questions of the scale and scope of the enterprise's activities can only be settled by the residents themselves Some neighborhoods have very strong organizations that undertake to start up an enterprise. Others might have block clubs, but lack overarching organizations. In this case, an early decision has to be made whether to join the block clubs in a federal or coalition structure. Yet other neighborhoods have few organizations and mobilizing of residents. Among the enterprises surveyed, the most successful arose out of neighborhood-based organizations.

Another question to consider is what type of enterprise will benefit most the physical and social environment of the community. Policy makers at all levels of government have been slow to recognize that commerce is vital to the safety and livability of urban neighborhoods. In *The Death and Life of Great American Cities,* published in 1961, Jane Jacobs offered abundant evidence of the functions of small business and how neighborhoods stripped of commerce fall apart. Small businesses, especially with a mix of residential and commercial activity, generate activity day and night, help protect against street crime, and promote healthy contacts and public life in the community. Some neighborhood organizations have established neighborhood taverns, restaurants, and coffee-houses for this purpose.

Financial and Technical Assistance

A second set of issues involves finance. Start-up (also known as set-up, front-end, seed, or risk) capital is the most difficult financing to obtain. This is the risk money which actually launches an enterprise. It is usually subordinated to other funds that are raised once the enterprise is operating, so that in case of bankruptcy those who contribute the risk capital get paid off last. Banks might lend money only after other investors put up the front-end capital. This represents to the banks the degree of commitment to the enterprise.

There are numerous sources of capital in existence--conventional lenders such as banks and savings and loans; commercial credit, or finance companies; business corporations, many of which have nonprofit foundations that provide capital; charitable foundations, including church organizations; venture capital companies; wealthy individuals; federal and state government agencies; and, finally, residents in the community, the members of the consumer co-op, or any group of individuals who wish to support, and invest in, a neighborhood enterprise. Most capital sources do not invest at this initial stage of an enterprise, except in some cases a government agency that provides grants to nonprofit community corporations. Virtually all of the enterprises surveyed in this pamphlet raised their initial capital from within the community, or from churches or foundations.

The manner in which capital is raised is, of course, affected by the way the enterprise is organized. Typically, in cases such as food buying clubs and co-ops, the members themselves contribute. After incorporation, enterprises may offer shares as a condition of membership, or charge annual dues. In many cases, a nonprofit neighborhood-based enterprise will attract support from churches or small foundations. Enterprises organized as stock corporations, for example CDCs, raise capital through different classes of stock that are offered to community residents, charitable institutions, or outside investors.

Most enterprises that solicit start-up capital are required to draw up a business plan, which describes in detail the resources available, expected start-up costs and income during the first year, and the potential market for the goods and services. Experience shows that it is advisable for the founders of an enterprise to seek assistance in preparing the business plan.

Once an enterprise is in operation, many more sources of funding become available. Much of this type of funding is in the form of working capital and other loans available from conventional lending institutions and, in some cases, government agencies such as the Small Business Administration.

In most cases legal expertise will be required. Fortunate is the neighborhood organization that can call upon lawyers among the members who will contribute their services free-of-charge. Legal services may also be provided free-of-charge or else at nominal rates by the federally-sponsored Legal Services Corporation, which has branches in all major cities. Particularly if the enterprise planned is to serve a large community with a variety of goods and services and at some point will solicit public funds, legal help to cut through the maze of state and federal regulations and laws, grant application procedures, rules of incorporation, etc. becomes of paramount importance.

Management, Politics, and Participation

Most of the enterprises surveyed have at one point or another encountered management problems. Some, in an effort to cut overhead costs, failed to hire full-time workers or a manager until the enterprise was faltering. Others experienced management problems that grew out of the necessity of paying low wages to employees, which caused frequent worker turnover and poor service to customers. In a number of cases divisions occurred among the members as to whether the enterprise should become fully managerial and business-like or else maintain a strong political input from the community.

Experience has shown that neighborhood-based enterprises, to the extent that they are committed to commercial viability, cannot ignore business procedures, such as professional management, a regular staff, adequate business hours and provision of services, and cost-reduction.

Inevitably, however, tensions arise between the management and earnings maximization side of an enterprise, on the one hand, and the community control side, on the other. At one level, the conflict may occur between active citizens who lack knowledge of business practice and the professional managers of the enterprise. At another level, the conflict involves the heavy demands of raising capital and the long years it takes to build up a viable enterprise versus the complexities of accommodating diverse citizen interests and the demands for social services. Some organizations get so involved in business that they neglect the larger community purposes they intended to serve. This conflict makes it necessary, in most cases, for community organizations that launch economic enterprises to separate the profit or nonprofit enterprise from the community service organization, and to raise money for community services separately from the financial arrangements that are made for the economic enterprise.

Government Support

There are many Federal departments and agencies involved in neighborhood-based economic self-help projects. The President's urban policy announced in late March, 1978, indicates that the focus on the neighborhood as a major unit for urban revitalization will become even stronger in the future. A list of commercial and economic development programs targeted to urban neighborhoods would include:

- Small Business Administration (SBA) loan programs, including the 502 loan program that supports Local Development Companies (LDCs); the Small Business Investment Company (SBICs) program; and the Minority Enterprise Small Business Investment Company (MESBICs) program;
- Department of Commerce's Office of Minority Business Enterprise (OMBE) program, which provides technical assistance; and technical assistance and planning grant programs for commercial and economic development in "special impact" neighborhoods under the Economic Development Administration;
- Community Services Administration (CSA), the successor to the Office of Economic Opportunity, economic development programs, which include grants and technical assistance to community development corporations;
- Department of Housing and Urban Development (HUD) demonstration, planning, and urban homesteading programs for housing development in "special impact areas;" also, the Community Development Block Grant and Urban Development Action Grant programs, which provide funds to local governments which, in some cases, turn these funds over to eligible neighborhood-based self-help projects;
- ACTION's VISTA program, which provides volunteers to assist in community organizing; a prospective Urban Volunteer Corps program; and a prospective grant and technical assistance program for cooperative enterprises;
- Department of Labor's Comprehensive Employment and Training Assistance (CETA) program and youth job training programs that provide funds to local governments to hire the long-term unemployed and disadvantaged youth which may in some cases turn over funds to neighborhood-based self-help projects;
- Urban Reinvestment Task Force's Neighborhood Housing Services program and Neighborhood Preservation Projects, which provide technical assistance and credit for housing rehabilitation;
- Law Enforcement Assistance Administration's (LEAA) Community Anti-Crime program which in some cases provides funds to youth employment and economic development projects that can demonstrate a crime-prevention and crime-reduction impact.

The best way for a neighborhood organization or enterprise that is starting up to learn about federal programs is to contact its member of Congress or Senator. Congressional offices are in business to handle constituent inquiries and requests for assistance. A written inquiry stating the nature of the project and the kind of federal assistance that is desired should be followed up by a telephone call. Inquiries can either be addressed to the Member's district or Washington office. Since Congressional offices are called upon by many constituents, it would help to have an established community organization or group make the inquiry rather than a single individual.

Federal departments and agencies can also be contacted in their regional offices, which are generally located in the major cities, or at the main office in Washington. It should be recognized, however, that inquiries to Congressional offices stand a better chance of being answered than inquiries to bureaucracies.

Most states also have commercial and economic development programs, including commercial and housing loan programs, as do some of the major cities. Inquiries about such programs should first be directed to political representatives such as aldermen or councilpersons, and then to the appropriate departments or agencies of local government.

AREAS FOR FURTHER STUDY AND SUPPORT

This pamphlet is the first systematic effort to bring together analysis, information, and other resources pertinent to the starting of neighborhood-based economic enterprises. The 67 neighborhood enterprises that are surveyed are a selective sample of a far larger universe. Its purpose was to illustrate the range of enterprises and environments in which they exist. A sample of this kind is, however, too limited a basis for hard-and-fast generalizations about success and failure that will be valid for all organizations and enterprises. There is simply too much variation among urban neighborhoods to account for all the factors that make for viable enterprises. Some preconditions, however, can be identified as:

- a neighborhood with an active community organization or coalition of such organizations;
- a strong leadership core that is resourceful, determined, and politically astute, able to mesh divergent factions and interests, along with local officials and business groups;
- a strong communications network and medium (such as newsletters), a community bulletin board, frequent community meetings, and, wherever possible, trained community organizers (that function to inform citizens about local issues and events, handle citizen concerns, and make it possible for citizens to feel they have a stake in their community and its projects);
- access to technical assistance, such as organizations that specialize in assistance to cooperatives, community development corporations, credit unions, sweat equity homesteading projects, etc.;
- a well thought-out business plan, enjoying the support of the community, that specifically deals with financial needs and anticipates funding problems; and that can mobilize financial resources within the community in the form of contributions, investments and loans, dues, and voluntary service, should these be necessary.

The neighborhood-based economic enterprises surveyed have made a contribution to the urban communities and cities in which they exist. Such enterprises have:

- encouraged other businesses to locate in the community or to stay in business, and have stimulated the revitalization of commercial strips in which they operate;
- improved the morale of, and strengthened loyalties in, the community;
- generated spin-off self-help projects such as educational workshops in methods of managing businesses, making home improvements, nutrition, auto mechanical arts, and home health care, and performed various kinds of community services;
- led to improvements in housing stock and property values;
- provided job training and employment opportunities;
- furnished supplemental income and important activities to senior citizens;
- helped reduce crime by bringing greater movement, activity, and contact into the neighborhood.

It would be very useful to the cause of neighborhood economic enterprises and urban revitalization in general to conduct further research into the special requirements of neighborhood enterprises, as indicated in the list of preconditions, and into the particular circumstances of urban neighborhoods that provide the best settings for such enterprises.

HOW TO USE THE PAMPHLET

The pamphlet consists of three major divisions of information: (a) a Bibliography consisting of articles, books, newsletters, and directories of useful information to neighborhood groups seeking to create or maintain economic enterprises; (b) a Resource List of individuals, organizations, foundations, and local and federal governmental agencies that provide assistance to neighborhood economic enterprises; (c) 67 *Profiles* of cooperatives, worker-controlled enterprises, community development corporations, community development credit unions, and urban homesteading cooperatives that have proved to be economically viable as well as responsive to the needs and interests of the communities in which they exist.

The Bibliography and Resource List are both subdivided according to the nature of the economic activity involved. The major categories are: (a) housing and neighborhood preservation; (b) financial development; (c) economic enterprises; (d) food cooperatives and urban agriculture; (e) alternative technology and energy. The Resource List is further subdivided by region, so that local resources available in some areas and not others are easily accessible. The regional divisions are: northeast, midwest, south, and west.

Each section of the pamphlet provides additional information on the organization of that section. Familiarity with the overall plan of the pamphlet and its table of contents is a first step in using these materials. As a second step, it is highly recommended that a small number of books, listed below, which specialize in the legal, financial, and technical issues involving community economic development, be consulted. These books contain, in addition to extended discussion of the major issues, glossaries of legal and financial concepts and guides to relevant organizations and government agencies that have programs to assist neighborhood economic enterprises.

RECOMMENDED READING

The following materials represent only a selective bibliography on which the essay is based, and are recommended as an excellent introduction to the financial, legal, and technical issues surrounding neighborhood-based economic enterprise. The Bibliography should be consulted for extended references to books, articles, pamphlets, and newsletters, which are organized according to economic activity and geographical areas.

A Lawyers' Manual on Community-Based Economic Development, published by the Economic Development Law Project, 2150 Shattuck, Berkeley, Calif. 94704, 1974.

Sources of Capital for Community Economic Development, edited by Leonard E. Smollen, and published by the Center for Community Economic Development, 639 Massachusetts Avenue, Cambridge, Mass., 1976.

Rita Mae Kelly, *Community Participation in Directing Economic Development*, published by the Center for Community Economic Development, 1976.

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BIBLIOGRAPHY ON NEIGHBORHOOD ENTERPRISE

The bibliography on Neighborhood Enterprise is a guide to articles, books, newsletters, and directories of useful information to neighborhood-based groups seeking to create or maintain economic and other community enterprises.

The bibliography is divided into seven sections that closely relate to the resource list: A) Housing and neighborhood preservation; B) Neighborhood economic and financial enterprise; C) Food cooperatives and urban agriculture; D) Alternative technology and energy; E) Theory and practice of neighborhood organization; F) Newsletters and journals; G) Directories of organizations. Newsletters and journals are identified according to subject-matter, frequency of publication, and mailing addresses. Many of the newsletters deal with more than one activity, e.g., housing and alternative technology. Addresses for publications by technical assistance organizations can be obtained from the resource list.

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Lifeblood of Housing: A Report on Housing Investment and Conservation. Washington, D.C.: Center for Community Change, 1976.

MacNulty, Robert H.; and Kliment, Stephen A. *Neighborhood Conservation: A Handbook of Methods and Technologies.* New York: Whitney Library of Design, 1976.

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Neighborhood Preservation. 2 vols. Washington, D.C.: U.S. Department of Housing and Urban Development, Government Printing Office, 1975.

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B. Neighborhood Economic and Financial Enterprise

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C. Food Cooperatives and Urban Agriculture

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Olkowski, Helga and William. *The City People's Book on Raising Food.* Emmaus, Pa.: Rodale Press, 1975.

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D. Alternative Technology and Energy

Anderson, Bruce. *The Solar Home Book.* Harrisville, N.H.: Cheshire Books, 1976.

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E. Theory and Practice of Neighborhood Organization

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F. Newsletters and Journals

1. Housing and Neighborhood Preservation

Action Power, a monthly newsletter on community action and housing. Durham, N.C.: Carolina Action.

Disclosure a newsletter on neighborhood action and housing. Chicago: The National Training and Information Center.

Doing It! Humanizing City Life, a bimonthly magazine on neighborhood action, alternative economic enterprises, and alternative technology. Worthington, Ohio: Urban Alternatives Group.

ESHAC Newsletter, a monthly on neighborhood action and housing. Milwaukee, Wisc.: ESHAC, Inc.

Housing Survival, a newsletter on housing and community organizing. Topeka: The Kansas Tenant Information Service.

Inter-Neighborhood Cooperation, a newsletter on neighborhood action, housing, and community economic development. Denver: Inter-Neighborhood Cooperation.

Lending, a bimonthly newsletter on combatting redlining and neighborhood disinvestment. Washington, D.C.: Project Lend, The Metropolitan Washington Planning and Housing Association.

Low Income Housing Information Service, a newsletter on legislative and executive action in the housing and community development field. Washington, D.C.: Ad Hoc Low Income Housing Coalition.

NAN Bulletin, a monthly newsletter on neighborhood activities. Washington, D.C.: National Association of Neighborhoods.

(The) National Center Reporter, a monthly newsletter on community action activity across the country. Washington, D.C.: The National Center for Community Action.

Neighbor to Neighbor. Portland, Oreg.: Office of Neighborhood Association, Dept. of Public Safety, City of Portland.

Neighborhood Ideas, a bulletin for information exchange. Washington, D.C. Center for Governmental studies.

Neighborhood Organization Research Group News Bulletin, a periodic newsletter on current neighborhood research and legislation bearing on urban neighborhoods. Bloomington, Ind.: Workshop in Political Theory and Political Analysis.

Neighborhoods, a bimonthly newsletter on housing and community economic development. Philadelphia, Pa.: Institute for the Study of Civic Values.

Network, a bimonthly on neighborhood nonprofit housing development and alternative technology. New York: Peoples Housing Network.

Network Notes. Washington, D.C.: National Self-Help Resources Center.

The Redlining Reporter, a newsletter on housing issues. Los Angeles: Los Angeles County Coalition.

Renascence Reports, a monthly publication devoted to housing rehabilitation, urban agriculture, alternative technology. Kansas City, Mo.: The Renascence Project.

Self-Help Reporter, a bimonthly newsletter that deals with neighborhood health care and other self-help activities. New York: The National Self-Help Clearinghouse.

Self-Reliance, a bimonthly newsletter on neighborhood activities, community organization, and alternative technology. Washington, D.C.: Institute for Local Self-Reliance.

Shelterforce: A National Housing Publication. East Orange, N.J.: Shelterforce Collective.

SWCC: Southwest Corridor Land Development Coalition, Inc. Newsletter, a quarterly on housing, land use, and community development. Roxbury, Maine: SWCC.

(The) UNA Flash, a bimonthly newsletter on housing development, tenants, rights, and land use. Oakland, Calif.: United Neighbors in Action.

2. Neighborhood Economic/Financial Enterprise

Association for Economic Democracy Newsletter, a bimonthly on community and worker-controlled economic enterprises. Ithaca, N.Y.: Association for Economic Democracy.

Center for Community Economic Development Newsletter, a bimonthly on community economic development and community development corporations. Cambridge, Mass.: Center for Community Economic Development.

Communities: Journal of Cocperative Living, a bimonthly on community and worker-controlled economic enterprises and cooperative living arrangements. Louisa, Va.: Communities Publications Cooperative.

D.C. Democratic Economics, a bimonthly newsletter on worker-community economic control in Washington, D.C. Washington, D.C.: Strongforce.

Economic Development Law Project Report, a bimonthly newsletter on community economic development and community development corporations. Berkeley, Calif.: The National Economic Development Law Project of the Earl Warren Legal Institute.

Interchange, a monthly newsletter on community economic development and community development corporations. Washington, D.C.: National Congress for Community Economic Development.

(The) New Harbinger, a quarterly journal on cooperative enterprises and worker self-management. Ann Arbor, Mich.: North American Student Cooperative Organization.

News from Federation for Economic Democracy, a newsletter on worker self-managed economic enterprises. Ithaca, N.Y.: Federation for Economic Democracy.

Northwest Network: Journal of the Cascade Region, a monthly newsletter on cooperative enterprise and community economic development. Eugene, Oreg.: Cascadian Regional Library.

(The) Public Works, a quarterly journal on community organizing and radical politics. Oakland, Calif.: Community Ownership Organizing Project.

3. Food Cooperatives and Urban Agriculture

CA News, a newsletter on consumer and community action published nine times a year. San Francisco, Calif.: Consumer Action.

(The) Community Work, a monthly newsletter on food co-ops and alternative technology. Fort Collins, Colo.: The Point Foundation, Inc.

Cooperative Consumer Viewpoint, a bimonthly newspaper on cooperative enterprise. Philadelphia, Pa.: Delaware Valley Coalition for Consumer Education and Cooperation.

Co-op News. Berkeley, Calif.: Consumers Cooperative of Berkeley, Inc.

(The) Food Conspiracy Newsletter, a monthly on co-ops, collectives, and neighborhood action. Tucson, Ariz.: Food Conspiracy.

Food Co-op Nooz. Chicago: Food Co-op Project, Loop College.

Green Revolution, a monthly magazine on community, economic development, co-ops, and collectives. York, Pa.: School of Living.

NASCO: Students of Cooperation, Monthly News of Co-op Communities. Ann Arbor, Mich.: North American Student Cooperative Organization.

Over the Garden Fence, published 10 times a year on food production, energy, and alternative technology. Dallas, Tex.

Public Notice, a monthly newspaper on community action and co-ops. Lawrence, Kans.: Community Mercantile Food Cooperative and People's Energy Project.

Self-Determination Quarterly, a newsletter on cooperative enterprise and politics. Santa Clara, Calif.: Self-Determination.

(The) Source, a quarterly newsletter on alternative food production. Northampton, Mass.: Massachusetts Association of Biological Farmers and Gardeners.

(The) Tilth Newsletter, a quarterly journal on alternative agriculture and food in the Northwest. Arlington, Wash.

Windborne, a newsletter on food co-ops, agriculture, and alternative technology. Roanoke: Appalantic Federation of Cooperatives.

4. Alternative Technology and Energy

ACORN, a newsletter on alternative technologies and urban agriculture published 10 times a year. Park Forest South, Ill.: Governors State University.

Alternative Sources of Energy. Milaca Minn.: Alternative Sources of Energy, Inc.

Alternative Technologies, a bimonthly newsletter. Indianapolis, Ind.: Alternative Technologies Association.

Compost Science: Journal of Waste Recycling. Emmaus, Pa.: Rodale Press.

Connections, a monthly newsletter on alternative technology. Lansing, Mich.: Lansing Energy Affairs Network.

Critical Mass Journal, a newsletter on alternative energy. Washington, D.C.: Critical Mass Energy Project.

(The) Ecology Center Newsletter, a monthly on alternative technology and agriculture. Berkeley, Calif.: Ecology Center.

Intermediate Technology Report. Menlo Park, Calif.: Intermediate Technology.

NCAT NEWS. Butte, Mont.: National Center for Appropriate Technology.

People and Energy. Washington, D.C.: Center for Science in the Public Interest.

RAIN, a monthly magazine on appropriate technology. Portland, Oreg.: RAIN.

Rodale's Environment Action Bulletin, a biweekly on alternative technology. Emmaus, Pa.: Rodale Press.

(The) Solar News, a newsletter on solar energy development of the Mid-Atlantic Solar Energy Association. Philadelphia, Pa.: Dept. of Agriculture, University of Pennsylvania.

Solar Utilization News, a monthly journal on alternative technology. Estes Park, Colo.: Alternative Energy Institute.

(The) Workbook, a monthly journal cataloging information on consumer, neighborhood, and alternative technologies issues. Albuquerque, N.M.: Southwest Research and Information Center.

G. Directories of Organizations

(The) Bay Area Directory of Collectives. San Francisco: Earthwork.

Becker, Ann; and Eccli, Eugene, eds. *Appropriate Technology–A Directory of Activities and Projects*. Springfield, Va.: Document Sales, National Technical Information Service, U.S. Department of Commerce, 1977.

Carnaham, Don, ed. *Guide to Alternative Periodicals*. St. Petersburg, Fla.: Sunspark Press, 1976.

Food Co-Op Directory, an up-to-date listing of 2000 American and Canadian consumer co-ops, warehouses, bakeries, restaurants. Albuquerque, N.M.: 106 Girard, S.E.

Gardner, Richard, ed. *Alternative America: A Directory of 5000 Alternative Life-Style Groups and Organizations*. Cambridge, Mass.: Richard Gardner, Box 134, Harvard Square.

Krotosky, Steven. *Massachusetts Resource Directory of Community Economic Development Groups*. Cambridge, Mass.: Center for Community Economic Development, 1975.

RESOURCE LIST

The resource list is a guide to individuals and organizations throughout the country that furnish technical and other assistance to neighborhood groups seeking to create economic or other community enterprises such as housing, or to maintain and improve existing enterprises and facilities. Among the services furnished are technical, financial, management, and marketing assistance. In addition, these resource individuals and organizations help to locate other resources and may function as an information clearinghouse.

The resource list consists of national support organizations, regional and local support organizations, and federal agencies that provide relevant assistance. The resource list is further divided according to the nature of the neighborhood enterprise: a) housing and neighborhood preservation; b) neighborhood financial development; c) neighborhood economic enterprise such as nonprofit firms, community development corporations, worker-managed firms, etc.; d) food cooperatives and urban agriculture; and e) alternative technology and energy projects. Wherever possible, resources are identified according to their specific activities, and by region.

Outline:

A. National Support Organizations and Federal Agencies
   1. Housing and Neighborhood Preservation
   2. Neighborhood Financial Development
   3. Neighborhood Economic Enterprise
   4. Food Cooperatives and Urban Agriculture
   5. Alternative Technology and Energy Projects

B. Regional and Local Support Organizations
   1. Housing and Neighborhood Preservation
   2. Neighborhood Financial Development
   3. Neighborhood Economic Enterprise
   4. Food Cooperatives and Urban Agriculture
   5. Alternative Technology and Energy Projects

C. Foundations and Other Philanthropic Institutions

A. National Support Organizations and Federal Agencies

1. Housing and Neighborhood Preservation

ACTION
806 Connecticut Avenue, N.W.
Washington, DC 20525
202-254-6886

VISTA and other volunteer programs; loan program to cooperatives.

Architecture and Environmental Arts Program
National Endowment for the Arts
2401 E Street, N.W.
Washington, DC 20506
202-634-4276
Contact: Geri Bachman

"Livable Cities Program" provides grants to local governments and nonprofit corporations in the areas of architecture, environmental improvement, and neighborhood preservation.

Association of Neighborhood Housing Developers, Inc.
29 E. 22nd Street
New York, NY 10010
212-674-7610
Contact: Virginia Sherry

Technical support for nonprofit housing development.

Campaign for Human Development U.S. Catholic Conference
1312 Massachusetts Avenue N.W.
Washington, DC 20005
202-659-6650
Contact: Douglas M. Lawson, Program Officer

A foundation that supports self-help projects for community economic development and neighborhood organizing.

Center for Community Change
1000 Wisconsin Avenue, N.W.
Washington, DC 20007
202-338-6310

Assists low-income and minority community organizations in the areas of housing, health, and education.

The Institute for Local Self-Reliance
1717 18th Street, N.W.
Washington, DC 20009
202-232-4108
Contact: David Morris, Director

Supports alternative technology, urban agriculture, neighborhood action, and housing; extensive library, and publications and directory of technical assistance resources.

National Association of Housing Cooperatives
1522 K Street, N.W., Suite 1036
Washington, DC 20005
202-347-3713 or 3714
Contact: Ernie Eden, Director

Assists housing cooperatives and a clearinghouse.

National Association of Neighborhoods
1612 20th Street, N.W.
Washington, DC 20009
202-332-7766
Contact: Milton Kotler

A policy, educational, and legislative action association of neighborhood organizations. Task forces on basic issue-areas such as economic development, crime, energy, etc.

National Center for Urban Ethnic Affairs
1521 15th Street, N.W.
Washington, DC 20036
202-232-3600
Contact: Ed Dulcan

Policy, research, and technical assistance organization involved in neighborhood preservation, community credit unions, and economic development.

National Training and Information Center
1123 W. Washington Boulevard
Chicago, IL 60607
312-243-3035
Contact: Gail Cincotta

Neighborhood organizing and neighborhood reinvestment strategies.

Office of Assistant Secretary for Neighborhood Organizations and Consumer Protection
Department of Housing and Urban Development
Room 4100
451 7th Street, S.W.
Washington, DC 20410
202-755-0950

Office of Economic Development
Community Services Administration
1200 19th Street, N.W.
Washington, DC 20506
202-254-5090

Funds community development corporations and community action agencies; provides emergency assistance to communities.

Office of Housing and Urban Affairs
Federal Home Loan Bank Board
320 1st Street, N.W.
Washington, DC 20552
202-376-3282 or 3262

Regulates federally-chartered savings and loans and handles complaints about mortgage loan practices.

Office of Public Information
Neighborhood Housing Services Program
Urban Reinvestment Task Force
1120 19th Street, N.W.
Washington, DC 20036
202-634-1905

One of the most successful neighborhood preservation and housing rehabilitation programs.

Workshop in Political Theory and Political Analysis
121 Morgan Hall
Indiana University
Bloomington, IN 47401
812-337-0441
Contact: Frances Bish

A clearinghouse on neighborhood research and policy.

2. Neighborhood Financial Development

Alternative Economics, Inc.
P.O. Box 29146
Washington, DC 20017
202-832-5200
Contact: Floyd Agostinelli, Billy McLaughlin

Provides technical assistance to community development credit unions and other financial development instruments.

American Federation of Community Credit Unions
2436½ 18th Street, N.W.
Washington, DC 20009
202-332-7567
Contact: Shelly Grasty

Provides technical assistance to credit unions.

National Center for Urban Ethnic Affairs
1521 16th Street, N.W.
Washington, DC 20036
202-232-3600
Contact: Ben Johnson

Policy, research, and technical assistance organization involved in neighborhood preservation, community credit unions, and economic development.

Public Information Office
National Credit Union Administration
2025 M Street, N.W.
Washington, DC 20456
202-254-9800

Regulates credit unions.

3. Neighborhood Economic Enterprise

Center for Community Economic Development
639 Massachusetts Avenue
Cambridge, MA 02139, Room 316
617-547-9695
Contact: DeForest Brown, Jr., Director

Federally-supported research and policy organization assisting community development corporations.

Center for Economic Studies
457 Kingsley Avenue
Palo Alto, CA 94301
415-328-1039
Contact: Joyce Crain

A nonprofit research and policy group that is undertaking a three-year study of alternative economic enterprises nationwide, including an extensive directory.

National Congress for Community Economic Development
1029 Vermont Avenue, N.W.
Suite 304
Washington, DC
202-659-8411
Contact: Philip A. Lo Presti, President

Association of Community Development Corporations.

National Development Law Project
2150 Shattuck, Suite 300
Berkeley, CA 94704
415-642-2826
Contact: Arthur Blaustein, Director

Federally-supported research and policy organization assisting community development corporations.

Office of Minority Business Enterprise
Department of Commerce
5053 Main Commerce Building
Washington, DC 20230
202-377-5061

Assists minority business enterprises and nonprofit economic development corporations.

Office of Technical Assistance
Department of Commerce
7842 Main Commerce Building
Washington, DC 20230
202-377-5111

Provides grants for economic development to local governments and nonprofit corporations in designated depressed areas.

Small Business Administration
1441 L Street, N.W.
Washington, DC 20416
202-653-6842
Contact: Bill Dean

The Local Development Company program provides grants to groups of individuals undertaking business enterprise in a depressed community.

4. Food Cooperatives and Urban Agriculture

The Cooperative League of the U.S.A.
1828 L Street, N.W.
Washington, DC 20036
202-872-0550
Contact: Phil Dodge

Association of cooperatives.

Food Co-op Project
106 Girard, S.E., No. 110
Albuquerque, NM 87106
505-265-7416

Assists food co-ops; and a clearinghouse.

The Institute for Local Self-Reliance
1717 18th Street, N.W.
Washington, DC 20009
202-232-4108
Contact: David Morris, Director

Supports alternative technology, urban agriculture, and neighborhood action and housing; extensive library and publications and directory of technical assistance resources.

North American Student Cooperative Organizations
P.O. Box 1301
Ann Arbor, MI 48106
313-663-0889

Assists co-ops and alternative enterprises.

Helga and Bill Olkowski
1307 Acton Street
Berkeley, CA 95706
415-524-8404

Alternative technology, authors, "The City People's Book of Raising Food."

5. Alternative Technology and Energy Projects

The Institute for Local Self-Reliance
1717 18th Street, N.W.
Washington, DC 20009
202-232-4108
Contact: David Morris, Director

Supports alternative technology, urban agriculture, neighborhood action, and housing; extensive library and publications and directory of technical assistance resources.

National Center for Appropriate Technology
Butte, MT 59701
406-723-6533
Contact: Joe Gonzales
Beth Sachs, Librarian

Clearinghouse on alternative technology.

Office of Operations
Community Services Administration
1200 19th Street, N.W.
Washington, DC 20506
202-254-5670
Contact: Mary Ann Mackenzie

Furnishes technical and financial assistance to alternative technology projects.

B. Regional and Local Support Organizations.

1. Housing and Neighborhood Preservation

Northeast

Ad Hoc Low Income Housing Coalition
215 8th Street, N.E.
Washington, DC 20002
202-544-2544
A clearinghouse on federal action in the housing and community development field and an advocacy group.

Association of Neighborhood Housing Developers, Inc.
29 E. 22nd Street
New York, NY 10010
212-674-7610
Contact: Robert Schur, Exec. Director
Technical support for nonprofit housing development.

Interfaith Adopt-A-Building
300 E. 4th Street
New York, NY 10009
212-677-8700
Contact: Ruth or Roberto Nazario
Cooperative homesteading and housing rehabilitation.

Jubilee Housing, Inc. Development Group
2125 Massachusetts Avenue, N.W.
Washington, DC 20036
202-387-1617
Multi-family housing rehabilitation in low-income urban areas.

Philadelphia Council of Neighborhood Organizations
1522 W. Girard Avenue
Philadelphia, PA 19130
215-235-2720
Support organization for 125 neighborhood groups.

Project Lend: Lending Equality for Neighborhoods Disinvested
Metropolitan Washington Planning and Housing Association
1225 K Street, N.W.
Washington, DC 20005
202-737-3700
Provides technical assistance to community organizations working on neighborhood reinvestment.

The Shelterforce Collective
380 Main Street
East Orange, NJ 07018
201-673-2405
675-6240
A clearinghouse on national housing issues and nonprofit housing development, and provides assistance to housing and community organizers.

Southwest Corridor Land Development Coalition
27 Dudley Street
Roxbury, MA 02119
617-427-0035
Advocacy and assistance in housing, land use, and community issues in the city of Boston.

Technico-op, Inc.
1010 Washington Boulevard
Stamford, CT 06901
203-359-1360
Contact: Roger Willcox
Furnishes assistance to nonprofit groups, particularly in inner-city areas, in the development of cooperative housing.

Urban Homesteading Assistance Board
Cathedral House
1047 Amsterdam Avenue
New York, NY 10025
212-678-6911
Contact: Philip St. Georges, Director
Assists low-income groups to rehabilitate housing, technical, financial management assistance, homesteading.

Midwest

Community Design Center of Minnesota
118 E. 26th Street
Minneapolis, MN 55404
612-827-2600
Contact: Mark Ryan
Provides technical housing assistance to community organizations in the areas of single-family housing rehabilitation and the retrofitting and management of multi-family housing.

Homeowners' Federation
10234 Washtenaw Avenue
Chicago, IL 60642
Assists neighborhoods in the fight against redlining.

Michigan Avenue Community Organization (MACO)
4330 Central
Detroit, MI 48210
313-849-1410
Contact: Sister Kathleen Bruton
A coalition of Detroit neighborhood organizations involved in anti-redlining campaigns, housing rehabilitation, crime control, and community development.

The Renascence Project
3611 Walnut
Kansas City, MO 64111
816-531-0408
Contact: Matt Taylor
A consortium of for-profit and nonprofit corporations that offers services in housing, energy conservation, and urban agriculture; assists communities in the development of alternative enterprises.

West

United Neighbors in Action
491 65th Street
Oakland, CA 94609
415-654-1747
Assists local groups on tenants' rights, zoning, and land use; housing development.

South

Carolina Action
712 W. Johnson Street
Raleigh, NC 27603
919-834-1138
Contact: Sue Esty
A community organization that assists individuals in housing and community improvement.

2. Neighborhood Financial Development

Alternative Economics, Inc.
P.O. Box 29146
Washington, DC 20017
202-832-5200
Contact: Floyd Agostinelli and Billy McLaughlin
Provides technical assistance to community development credit unions and other community financial development projects.

Community Credit Union Project
National Center for Urban Ethnic Affairs
1521 16th Street, N.W.
Washington, DC 20036
202-232-3600
Contact: Ben Johnson
A national program that assists development of community credit unions; directory of local and regional community credit unions.

Region VI Office
National Credit Union Administration
760 Market Street, Room 809
San Francisco, CA 94102
415-556-6277
Contact: Earl Bradley, Director
Western regional office provides information on credit unions and their regulation.

South Shore National Bank
7054 S. Jeffrey Boulevard
Chicago, IL 60649
312-288-1000
First neighborhood development bank committed to financial assistance to neighborhood revitalization projects.

Southside Community Enterprises
2550 Pillsbury Avenue S.
Minneapolis, MN 55404
612-827-5381
Contact: Tom Beer
A model of a community-organized credit union.

3. Neighborhood Economic Enterprise

Northeast

Boston Chapter, Federation for Economic Democracy
c/o David Ellerman
14 Norfolk Terrace
Wellesley, MA
617-237-6826
Assists worker-controlled enterprises.

Federation for Economic Democracy
P.O. Box 802
Ithica, NY 14850
607-387-5110
Contact: Christopher Gunn
Promotes and assists worker and community-controlled economic enterprises.

National Economic Development Law Project
Washington Office
1523 O Street, N.W.
Washington, DC 20005
202-667-7000
Contact: Leslie Nulty
Assists CDCs.

Philadelphia Chapter, Federation for Economic Democracy
c/o Frank Lindenfeld
Sociology Department
Cheyney State College
Cheyney, PA 19319
215-436-8824
Assists worker-controlled enterprises.

Project Work
99 Claremont Avenue
New York, NY 10027
212-666-8911
Contact: Sydney Brown
Information—a clearinghouse on worker management and improvements in working life.

Strongforce
2121 Decatur Place, N.W.
Washington, DC 20008
202-234-6883
Contact: Mark Looney, Cynthia Burton
Assists worker and community-controlled enterprises; clearinghouse.

Midwest

Association for Economic Democracy—Midwest
762½ N. Park Street
Columbus, OH 43215
Contact: Ted Hayes
A clearinghouse on worker or consumer-owned economic enterprise.

Doing It! Humanizing City Life
Box 303
Worthington, OH 43085
614-885-8964
A clearinghouse on the development and management of co-ops and neighborhood economic enterprises.

Kansas City Regional Development Association
The Future Associates
P.O. Box 912
Shawnee Mission, KS 66201
914-432-8743
Contact: Joe Falk, General Manager
A nonprofit organization committed to neighborhood economic development through cooperative enterprises. Assists neighborhood enterprises such as a community development cooperative begun in Columbia, Missouri.

West

Community Ownership Organizing Project
349 62nd Street
Oakland, CA 94618
415-653-6555
Contact: Ed Kersher or Eve Bach
A clearinghouse and offers technical assistance to groups seeking to organize community-controlled enterprises.

Constructive Work Project
c/o New Ways to Work
457 Kingsley
Palo Alto, CA 94301
Contact: Mike Closson
A clearinghouse and research group dealing with worker management and improvements in working life.

Earthwork
1499 Potrero
San Francisco, CA 94110
415-648-2094
A center for organizing and education on land and food issues, provides assistance to groups forming buying clubs and co-op stores; maintains directory of Bay Area co-ops and collectives, and distributes pamphlets and books.

New School for Democratic Management
256 Sutter Street
San Francisco, CA 94108
Offers courses and workshops on financial management, marketing, accounting for community economic enterprise.

4. Food Cooperatives and Urban Agriculture

Northeast

Broadway Local Food Co-op
95th and Columbus
New York, NY 10025
212-663-2266
Contact: Tony Velleda

Central N.Y. Regional Market
2100 Park Street
Syracuse, NY 13208

Clear Eye Warehouse
367 Orchard
Rochester, NY 14606
716-235-1080

Community Warehouse
2010 Kendall Street, N.E.
Washington, DC 20002
202-832-4517

New England Federation of Co-ops (NEFCO)
8 Ashford Street
Allston, MA 02134
617-ALIVING
Contact: Don Lubin

People's Warehouse
21 2nd Avenue
New York, NY 10003
212-477-9685

Philadelphia Federation of Food Co-ops/ Powelltown Warehouse
3300 Race Street
Philadelphia, PA 19104

Midwest

All Co-op Assembly
P.O. Box 6022
Minneapolis, MN 55406
612-721-4925
Contact: Kris Olsom

Blooming Prairie Warehouse
529 S. Gilbert
Iowa City, IA 52240
319-338-5300

Common Market Warehouse
Box 8253
Columbus, OH 43201
614-294-0145

Federation of Ohio River Cooperatives
80 E. Swan
Columbus, OH 43215
614-238-3672
Contact: Tim Wagner

Food Co-op Project
64 E. Lake Street
Chicago, IL 60601
312-269-8101

Intra-Community Cooperative
1335 Gilson
Madison, WI 53715
608-251-2403

Michigan Federation of Food Co-ops
404 W. Huron
Ann Arbor, MI 48103
313-761-4642
Contact: Allen Leiserson-Cash

Midwest Cooperating Consumers Association Warehouse (MCCA)
4140 W. Pine
St. Louis, MO 63130

SCOOP/People's Warehouse
123 E. 26th
Minneapolis, MN 55404
612-824-2634

The Sprout Co-op
c/o Martha's Housing Cooperative
225 Lakelawn Place
Madison, WI 53703
608-256-8476
608-256-1151

Southwest

Austin Community Project
1602 W. 12th
Austin, TX 78703
512-477-6255

Common Market of Colorado
1100 Champa
Denver, CO 80204
303-893-3430

Cooperation
5423 Druid Lane
Dallas, TX 75209

Earthwork
1499 Potrero
San Francisco, CA 94110
415-626-1266

People's Warehouse
411 No. 7th
Tucson, AZ 85705
602-884-9951

San Francisco Warehouse
1559 Bancroft
San Francisco, CA 94124
415-822-8830

Southern California Cooperating Community
11615 Mississippi
Los Angeles, CA 90025
213-478-1922

South

Appalantic Federation of Cooperatives
Box 1164
Roanoke, VA 24006
703-344-8637
Contact: Bill Wolf
Technical assistance to food co-ops in Virginia, West Virginia, and the Carolinas.

Federation of Southern Cooperatives
40 Marietta Street, N.W.
Atlanta, GA 30303
404-524-6882
Contact: Charles Prejean
Technical assistance to agricultural cooperatives and credit unions.

Federation of Southern Cooperatives
P.O. Box 95
Epes, AL 35460
205-652-9676
Contact: John Zippert

Sunshine Cooperative Association
4435 N.W. 2nd
Miami, FL 33127

Northwest

Cooperating Communities
4030 22nd Avenue, W.
Seattle, WA 98199
206-283-3777

Puget Consumers Co-op
6504 20th, N.E.
Seattle, WA 98115
206-524-8441
Contact: Kenneth Novic

Starflower
385 Lawrence
Eugene, OR 97401

5. Alternative Technology and Energy Projects

Northeast

Wyman E. Kilgore
1520 Bailey Street
Hastings, MA 55033
612-437-6654
Has built renewable energy systems including a solar hot water heater, methane generator, and conversion of a gravel lot to a garden with use of heavy composting.

Richard La Rosa
317 Oak Street
South Hempstead, NY 11550
516-486-7827
An electrical engineer who designs solar energy systems including backyard solar collectors, an insulated swimming pool for heat storage.

Charles Marsh
31 Donna Drive
Pomona, NJ 08240
609-652-7312
A retired professor of physics and engineering who designs solar energy systems such as low-cost retrofit of air heating collectors, to the vertical south walls of his home.

Mid-Atlantic Solar Energy Association
Department of Agriculture
University of Pennsylvania
Philadelphia, PA 19104

Midwest

Alternative Sources of Energy, Inc.
Route 2
Milaca, MN 56353

Alternative Technologies Association
P.O. Box 20571
Indianapolis, IN 46220

G. Herbert Gill
1817 W. 21st Street
Joplin, MO 64801
417-624-8070
Consulting engineer engaged in solar and wind energy applications for the home, including solar water distribution units, solar hot water heating, variable pitch propellor windmill.

Robert McBroom
217 Kansas
Holton, KS 66436
913-364-2443
Specializes in windpower systems and has experience in designing and installing wind generators and solar heating equipment.

Southwest

Alternative Energy Institute
P.O. Box 3100
Estes Park, CO 80517

Domestic Technology Institute
P.O. Box 2043
Evergreen, CO 80439
Contact: Malcolm Lillywhite, Director
Greenhouses, low-cost heating technologies.

Farallones Institute
1516 5th Street
Berkeley, CA 94710
415-1525-1150
Contact: Helga Olkowski or Tom Javits
Alternative technology, energy conservation, urban agriculture.

George Helmholz
Route 1, Box 24 A
Covelo, CA 95428
Designs and builds wind electric systems, solar "breadbox" preheaters, night-sky radiation refrigeration, solar collectors, solar steam-driven water pumps for application in homes.

Intermediate Technology
556 Santa Cruz Avenue
Menlo Park, CA 94025

Office of Appropriate Technology
1623 10th Street
Sacramento, CA 95814
Clearinghouse on alternative technology projects.

Peter Van Dresser
634 Garcia Street
Santa Fe, NM 87501
A pioneer in the solar energy field since the 1930s. Author of *A Landscape for Humans* which examines local economic development based on local skills, materials, and renewable energy.

Northwest

RAIN
2270 N.W. Irving
Portland, OR 97210
503-227-5110
Clearinghouse of research and technical assistance on alternative technology.

South

Joseph Ennis
Star Route
Poplar Branch, NC 27965
Mechanical and electrical engineer who designs and builds renewable energy systems including solar heating and wind electricity, solar greenhouse; conducts workshops on alternative energy and low-cost shelter.

Enos L. Schera, Jr.
8254 S.W. 37th Street
Miami, FL 33155
305-226-0199
A private inventor who holds patents in the fields of alternative energy devices powered by sun, wind, and ocean waves.

C. Foundations and Other Philanthropic Institutions

There are more than 25,000 foundations in the United States. Some like the Ford Foundation are multi-million dollar institutions that support a great many activities. A number are sponsored by business corporations. Most are small and involved in very specific, limited, and local activities.

The foundations and other philanthropic institutions listed below are active in urban affairs and community economic development. They provide grants, or seed capital, or offer technical assistance. Most foundations take applications and have deadlines. The process usually begins with a letter stating the nature of the project. A good way to identify which foundations provide the kind of assistance needed is to consult The Foundation Directory, 6th edition, published by The Foundation Center (New York: Columbia University Press, 1977). Most libraries contain a copy of this massive volume that describes foundation activities and application procedures. The Foundation Center is headquartered at 888 Seventh Avenue, New York, New York, (tele.: 212-975-1120). It or its regional offices can provide additional information on how to apply to foundations for support.

Alcoa Foundation
1501 Alcoa Bldg.
Pittsburgh, PA 15219
412-553-3246

American Express Foundation
American Express Plaza
New York, NY 10004

The Bush Foundation
W-962 First National Bank Bldg.
St. Paul, MN 55101

Cabot Foundation, Inc.
125 High Street
Boston, MA 02110
617-423-6000

Campaign for Human Development
1312 Massachusetts Avenue, N.W.
Washington, DC 20005
202-659-6650

Cooperative Assistance Fund
Suite 701
2021 K Street, N.W.
Washington, DC 20006
202-833-8543

Cummings Engine Foundation
1000 5th Street
Columbus, IN 47201
812-379-5160

Dayton Hudson Foundation
777 Nicollet Mall
Minneapolis, MN 55402
612-370-6554

Esmark, Inc. Foundation
111 W. Jackson Boulevard
Chicago, IL 60604

Exxon USA Foundation
800 Bell Avenue
Houston, TX 77002
713-656-3008

The Field Foundation, Inc.
100 E. 85th Street
New York, NY 10028
212-535-9915

Field Foundation of Illinois, Inc.
135 S. LaSalle Street
Chicago, IL 60603

Ford Foundation
320 E. 43rd Street
New York, NY 10017
212-573-5000

General Mills Foundation
9200 Wayzata Boulevard
Minneapolis, MN 55440
612-540-3337

Ghetto Loan and Investment Committee
15 2nd Avenue
New York, NY 10017
212-867-8400

The Hillman Foundation, Inc.
2000 Grant Bldg.
Pittsburgh, PA 15219
412-566-1480

Inland Steel-Ryerson Foundation, Inc.
30 W. Monroe Street
Chicago, IL 60603
312-346-0300

Kellogg (W.K.) Foundation
400 North Avenue
Battle Creek, MI 49016
616-965-1221

Kettering (Charles F.) Foundation
5335 Far Hills Avenue, Suite 300
Dayton, OH 45429
513-434-7300

Lavanburg (Fred L.) Foundation
277 Park Avenue, Rm. 4702
New York, NY 10017

Lilly Endowment, Inc.
2801 N. Meridian Street
Indianapolis, IN 46208
317-924-5471

Lipton (Thomas J.) Foundation, Inc.
800 Sylvan Avenue
Englewood Cliffs, NJ 07632

The Luce (Henry) Foundation, Inc.
111 W. 50th Street
New York, NY 10020
212-489-7700

McDonnell Aerospace Foundation
P.O. Box 516
St. Louis, MO 63166

Mayer (Oscar) Foundation
5725 N. East River Road
Chicago, IL 60631
312-922-8050

Meyer (Eugene & Agnes E.) Foundation
1730 Rhode Island Avenue, N.W.,
Suite 1212
Washington, DC 20036
202-659-2435

Mott (Charles Stewart) Foundation
500 Mott Foundation Bldg.
Flint, MI 48502
313-239-9441

Presbyterian Economic Development Corp.
475 Riverside Drive
New York, NY 10027
212-870-2218

Public Welfare Foundation, Inc.
2600 Virginia Avenue, N.W.,
Rm. 511
Washington, DC 20037
202-965-1800

The Quaker Oats Foundation
Merchandise Mart Plaza,
Rm. 345
Chicago, IL 60654
312-222-6981

Rockefeller Family Fund, Inc.
49 W. 49th Street
New York, NY 10020
212-247-8135

The Rockefeller Foundation
1133 Avenue of the Americas
New York, NY 10036
212-869-8500

The San Francisco Foundation
425 California Street
San Francisco, CA 94104
415-982-1210

The Singer Company Foundation
30 Rockefeller Plaza
New York, NY 10020
212-581-4800

Southern Cooperative Development Fund
1006 Surrey Street
P.O. Box 3885
Lafayette, LA 70501
318-232-9206

Tishman Realty Foundation, Inc.
666 5th Avenue
New York, NY 10019

United States Steel Foundation, Inc.
600 Grant Street, Rm. 5906
Pittsburgh, PA 15230
412-433-5238

Wieboldt Foundation
11 S. LaSalle Street
Chicago, IL 60603
312-726-1553

Xerox Fund
Xerox Corporation
Stamford, CT 06904
203-329-8711

The Zale Foundation
3000 Diamond Park
Dallas, TX 75247
214-638-8182

PROFILES OF NEIGHBORHOOD ECONOMIC ENTERPRISES

The purpose of the profiles is to stimulate interest in, and further development of, neighborhood economic enterprises.

The 67 neighborhood economic enterprises that follow are a sample of a much larger universe of alternative economic enterprises. That universe comprises alternatives to conventional small business proprietorships and profit-making firms. They have in common community, or membership, control and community service, and include private nonprofit consumer and producer (worker-managed) cooperatives; community development corporations, including community credit unions; nonprofit housing and health care corporations; and, in some cases, for-profit enterprises whose services to their neighborhood community are on an equal footing with their goal of maximizing earnings. These enterprises have all proved to be financially viable.

The profiles contain brief descriptions of the enterprise's origins, evolution and goals, and include the addresses, telephone numbers and, wherever possible, persons to contact for further information. The object is to provide enough information on the workings of a wide variety of enterprises that may serve as models for individuals and groups interested in starting up their own alternative enterprises. The Resource List, which is arranged geographically, can be used to obtain information on enterprises not included in the sample, as well as locate listed enterprises that have changed location. Additional technical information on how to create neighborhood enterprises can also be obtained by contacting resource organizations.

The sample is selective, not exhaustive. An attempt was made to include different types of enterprises in every major region of the country. With few exceptions, the enterprises are located in urban centers and generally in low-income neighborhoods. For the most part, the enterprises serve a particular neighborhood community, although some are worker collectives that have not yet developed a community base.

To qualify for the sample, an enterprise had to demonstrate viability and community participation. Viability was measured in terms of an enterprise's longevity, sales volume or assets, and the size of the workforce. Community participation was evaluated by the extent to which business meetings were open to the public; boards of directors included community residents; preference in hiring was given to residents; and whether a significant amount of the enterprise's surplus, or profit, was distributed directly to the community.

An additional criterion was imposed in most cases: the enterprise had to be self-generated, receiving little or no funding or direction from government sources. Most of the sample consists of small self-help projects initiated by community residents with private funds raised through subscription, foundation grants, or loans. In a few cases enterprises are included in the housing and health care fields that receive government support. These exceptions were made only to broaden the sample.

Information for the profiles was obtained by a telephone survey and questionnaire (see appendix). Respondents did not always volunteer complete information, and therefore the profiles vary in length and detail. An attempt was made, however, to highlight a small number of enterprises in each region and activity area so as to offer more extensive information about the operation of, and problems encountered by, neighborhood enterprises.

The profiles are organized by region: the Northeast; Midwest; West; and South.

The Northeast

New Haven Food Co-op
490 Greenwich Avenue
New Haven, Connecticut 06519
203-777-0587

Begun five years ago by several food buying clubs, the New Haven Food Co-op a year later took over an abandoned A & P supermarket in the Hill section of New Haven, one of the poorest areas of the city. From the start, its goal was to serve low-income households, and today it competes with regular food stores by having only a 12.5% markup, as compared to a 23-27% markup among the chain stores. It differs from most food co-ops in that it sells a complete line of foods, including canned goods and meats. It has a large natural foods section. After the first year of operation, it has weekly sales of $20,000. Currently, its average weekly volume stands at $27,000 and its inventory that is carried over from one week to the next ranges between $35,000 and $60,000. Its present location has proved too small for the business, and the board is considering a proposal to open a second store in another low-income neighborhood.

There are about 6,000 members, all of whom were required to take an orientation class. About 4,000 members not only pay the dues, but also volunteer their labor. The co-op has 15 full-time employees, earning between $160-200 a week, and has a policy of giving preference to women and blacks from the community in hiring.

The founding members of the co-op had no technical background when they began it. They learned the hard way, making mistakes in purchasing inferior produce at high prices at the market and negotiating a bad lease. They faced a problem of rapid worker turnover because of the low wages paid. It required four years to learn the ropes, raise the earnings, and pay reasonable wages to keep their employees. The founding group figures that with adequate training in finance and management, the co-op could have reached a viable position after six months.

The New Haven Food Co-op is the largest store in a commercial strip which probably would have disappeared altogether if the co-op had not taken over the A & P store. Its activity has contributed to stabilizing the neighborhood and encouraging other businesses to stay or locate there. It has provided job training for neighborhood residents, and is involved in educational projects in the community. Because of its success, it has also been training groups from other parts of the city who have started up buying clubs or co-ops.

Third Day
2001 P Street, N.W.
Washington, D.C. 20036
202-785-0107

A nonprofit, worker-managed store selling house plants and related accessories, Third Day was launched in 1971 by a group of women who raised capital through a church donation and the sale of $3,500 worth of debentures. The contributing church holds the equity.

Nine employees earn an average of $3.60 per hour and work 30-38 hours per week. Preference is given to hiring community members. Sales are about $140,000 a year, the debt has been paid off, and the business is breaking even.

Third Day conducts educational classes for the community.

Community Soap Factory
2320 17th Street, N.W.
Washington, D.C. 20009
202-387-6933

A nonprofit community-owned, worker-managed factory, manufacturing natural bath and face soaps. Founded with personal loans of $1500. Controlled by a board of four elected community members and the three collective members. Meetings are open to the community, and the factory has many youth programs.

The soap factory is one year old, has a sales volume of approximately $2,000 to $3,000 per month. The factory sells primarily to alternative businesses.

Fields of Plenty
2447 18th Street, N.W.
Washington, D.C. 20009
202-483-3884

A nonprofit, worker-managed food store specializing in produce, grains, and dairy products. A board of directors, elected by community members, manages the business along with the workers.

In existence for three years, it has five regular employees earning $3 per hour, and 40 volunteers who work about three hours per month. The business is very involved in the Adams-Morgan neighborhood of Washington. It offers discounts to members.

Sales are at $5,000-6,000 per week and are climbing. There is a small debt which is being paid back on schedule. Any surplus is plowed back into additional inventory.

Bread and Roses
1724 20th Street, N.W.
Washington, D.C. 20009
202-1387-6264

A nonprofit corporation that is worker-managed, Bread and Roses has been in existence four years and sells records and periodicals. Business meetings are open to the community, and preference in hiring is given to members of the community.

There are three regular employees earning $3 per hour, several part-time employees and volunteers. Sales are about $100,000 annually. The debt is being serviced on schedule. Surplus will be reinvested in the community, although the enterprise is currently breaking even.

The business was launched by a few individuals who wanted to start a co-op and who invested $2,000 in personal loans.

Coeducational Auto Repair Club
2033 Eastern Avenue
Baltimore, Maryland 21231
301-327-0033

A year old, the auto repair club has 800 members who pay $10 per year for use of tools and facilities which can handle minor and major auto repairs. Members are charged $3.50 per hour as a flat rate, and $4.50 per hour including use of a lift. Two mechanics are on duty to assist the members, but members are required to do the basic work themselves. If a member is unable to do the auto repairs, he or she can hire a mechanic at the prevailing rate. Sixteen cars can be handled at any one time.

Also known as the Car Club, the auto repair club operates out of a former car dealership, the facility and building of which is a closed corporation and a family-owned enterprise, respectively. Members use the facilities, but do not own them. The building also houses several other small and cooperative businesses which rent space, including an auto body repair shop.

According to the president, the enterprise, which has about $40,000 worth of equipment, excluding the lifts, is undercapitalized. For a brief period it sold auto parts, but this was discontinued because of the lack of adequate inventory. In the beginning the club offered auto repair classes, but these were discontinued as they were found to be too costly to manage. Under ideal circumstances, according to the founder, such an enterprise should be capitalized at about $100,000 and consist of an auto parts division capitalized at $50,000; a service operation for members unable to do auto repairs themselves; a do-it-yourself operation; and a gas station facility. Ideally, such an enterprise should be set up as a cooperative, which would give members a greater incentive to use the facilities. The president of the firm so far has deliberately kept it from expanding or reorganizing as a co-op, both of which would involve greater business risks than he is willing to undertake at the present time. He believes in another year the enterprise will be profitable—sales are increasing—, but as of now, were it not for the income derived from the rents collected from the other businesses, the auto club would not survive. Groups who are considering an auto co-op should be aware of the very high fixed overhead costs of an auto repair facility which requires a large shop area, relatively high utility costs, and large expenditure for tools and equipment.

The existence of the auto repair facility and other small shops in the building has contributed to the commercial revitalization of the neighborhood. The auto repair club may in the near future undertake a program with city funds to train youth in auto mechanics.

Southeast Baltimore Artisans (SECO) III
2033 Eastern Avenue
Baltimore, Maryland 21231
301-732-6059

Southeast Baltimore Artisans was begun in September, 1976 as a wholly-owned firm of Southeast Development, Inc., the for-profit venture capital corporation operated by SECO. Its 11 employees make a variety of decorative metal products such as painted enamel wind chimes, plant stands, and hanging flower pots. Metal working was chosen as an enterprise because the community organization concluded that metal skills were dying out, yet some members of the neighborhood still possessed such skills. Like other SECO enterprises, the metal shop served the needs of senior citizens, who constitute half of the enterprise's workforce.

The community organization supplied the initial funds and technical assistance, and is consulted on the firm's policy. Sales are going up, and currently stand at approximately $38,000 annually. In 1977 the metal shop showed a profit of $3,000. Its products are marketed in small specialty shops throughout the northeast and mid-Atlantic states.

South East Community Organization, Inc. (SECO) I
10 S. Wolfe Street
Baltimore, Maryland 21231
301-327-1626

The South East Community Organization (SECO) began seven years ago. It was the result of citizen action in opposition to plans to construct a highway through the area. The highway not only would have destroyed parts of this residential area, but also several of its churches, and so from the outset citizens were joined by activist clergy. This south east Baltimore community has about 100,000 residents, the great majority of whom are eastern European. It also includes a substantial black community. It is working class, highly ethnic, and marked by single-family dwellings.

SECO evolved into a federation of 72 member organizations, including block clubs, improvement associations, senior citizen groups, church organizations, and local planning groups. Initial funding came from churches. The SECO community contains several distinct ethnic neighborhoods which developed a close alliance with one another. The organization is governed by a citizen body called the Senate, in which one representative from each member organization sits. It serves as an issues forum as well as a policy-making body. SECO retains a strong participatory character, which is made possible by its staff of several full-time community organizers who keep open channels of communication, identify grievances and issues, and integrate the interests and concerns of the several neighborhood components.

SECO is organized into four divisions: human and social services; neighborhood planning; community organizations; and economic development. The last emerged in the past two years as SECO moved to incorporate within its traditional community organizing framework a set of economic development institutions for the neighborhoods. It set up Southeast Development, Inc. (SDI), a venture capital for-profit subsidiary, that has generated several economic enterprises such as a clothing manufacturer, metal working shop, supermarket, and housing maintenance corporation. It also helped to create a health care corporation and a commercial revitalization program.

Southeast Arts and Crafts (SECO) II
10 S. Wolfe Street
Baltimore, Maryland 21231
301-276-7169

Southeast Arts and Crafts is a three-year-old enterprise set up by SECO to assist senior and disabled citizens in the community earning supplemental income. It grew out of the senior citizens' coalition that SECO organized and has as a major goal developing the ethnic arts of its community and cottage industries and producing ethnic crafts wherever possible. The major project is Southeast Arts and Crafts, a women's and children's clothing manufacturer that employs 18 senior citizens who do the sewing on a piece-rate basis. One of three full-time employees designs the clothes, and another cuts the garments. Two employees are funded by CETA. The senior citizens do the sewing work at home, but receive instruction on design at Southeast's two sewing centers, which are located in churches. The clothes have been made in the past on contract with department stores such as J.C. Penney's, but currently are being marketed in small dress stores and boutiques up and down the east coast.

Southeast Arts and Crafts is part of SECO's human services division, and the rent for the sewing centers and other overhead costs are paid for by SECO. A three-year grant from Baltimore's office on aging, funded under the Older Americans Act, has helped defray some overhead and labor costs. Sales average about $15,000 annually. The enterprise's policy is set by a board of directors and an advisory board comprised of community residents. Arts and crafts seminars are periodically organized by Southeast.

Bethesda Community Food Store
4937-49 Bethesda Avenue
Bethesda, Maryland 20034
301-986-0796 and 0848

A not-for-profit food store which sells a full line of natural and organic foods, except for meats. The store has just opened a restaurant, community center, and bookstore next door.

The community-owned corporation (a non-stock corporation) was begun two years ago by community members who wanted an alternative to supermarkets. The store was funded by selling one-year, redeemable food certificates in $5, $10 and $20 denominations to community people. The store and cafe/bookstore are worker-managed with policy set by a board of directors composed of nine workers and nine community-elected members. Community meetings are held monthly, and the community participates in policy issues. The cafe/community center/bookstore offers space for community organizations, classes, and groups at no cost. The workers are paid $4.50 per hour, plus benefits.

The food store has sales of $750,000 per year and operates out of a storefront. Surplus is used to support neighborhood causes, reinvested, and loaned out to aid other community-based enterprises.

Yellow Sun Natural Food Co-op
23 North Pleasant Street
Amherst, Massachusetts 01002
413-256-8401

A for-profit membership food cooperative in which any surplus is given back to the membership. The co-op was started by members of the community with individual loans.

It is owned by the members cooperatively and policy is set by a member-elected board of directors.

The food co-op also is involved with the broader community by giving educational presentations, producing a cook book, and operating a senior citizens program. There are three full-time employees earning $4.50 an hour.

Members are required to work one or more hours a month. The Yellow Sun Natural Food Co-op has been in existence for seven years, has $5,000 in debt, and does a sales volume of $300,000 a year.

Fenway Community Health Center
16 Haviland Street
Boston, Massachusetts 02115
617-267-7573

The Fenway Community Health Center began in 1971 as a nonprofit corporation offering health care to a low-income community, in particular its older citizens. A group of residents in the Fenway neighborhood of Boston, population 17,000, launched the center because there was a crying need for health care. It now offers comprehensive primary health care, handling everything but emergencies. Once a year community residents elect a board of directors as well as an advisory community board. The health center has 10 full-time employees (earning between $7,500 and $23,000), 15 part-time employees, and about 25 volunteers who work an average of four hours/week, including professional staff from city health agencies who donate their time.

Its budget of $171,000 derives from local and state aid, patients' fees, and grants from a local private hospital. Approximately 40% of its income comes from patients' fees.

Center for the Study of Pollution-Free Transportation (formerly, Bicycle Repair Collective)
351 Broadway
Cambridge, Massachusetts 02139
617-868-3392

Begun in 1972, the bicycle collective has had as its goal the training of community residents in the use and repair of bicycles and, more generally, in mechanical work. It is a nonprofit worker-managed enterprise that offers a variety of services—free bicycle repair clinics, individual instruction, commercial bike repair, and the sale of bicycle parts. Summer clinics are held in schools, libraries, and neighborhood centers.

Since its establishment there has been a consistently strong demand for bicycle repair and a growing demand for instruction. The fee for individual instruction is $3/hour. Individuals can use the storefront facilities for a nominal hourly charge.

The collective is in operation only seven months out of the year, although during the winter classes are held. It has a paid staff of three employees who earn $3/hour. In 1977 its business volume was approximately $30,000 and consisted of: $18,000 in the sale of bicycle parts; $5,000 from labor charges; $5,000 from class fees; $1,600 from charges for the use of facilities; and the remainder from administrative charges for clinics and the sale of specially designed shirts. A few thousand dollars in loans from individuals is being paid off.

With the adoption of the new name and a growing business, the bicycle collective is planning to undertake a new project of training high school students and handicapped persons in bicycle repair, to make them employable in bike shops throughout the Boston area. The collective has had a good measure of success in training women in mechanical arts. One day a week it holds classes which focus primarily on persons who have no mechanical background whatsoever. Because many of the services are free or carry a nominal charge, the collective is having difficulty paying the better wages for which its staff is calling.

Feminist Federal Credit Union of Massachusetts
186½ Hampshire Street
Cambridge, Massachusetts 02139
617-661-0450

The Feminist Federal Credit Union was established for the purpose of training women to handle all types of financial matters. It was chartered and opened in 1975, following a public relations campaign to attract depositors from around the country, some of whom are men, who wished to be involved in the feminist cause. As a federally-chartered credit union, it was not necessary for it to have initial capital. But in the first week of business approximately $100,000 was raised in deposits. The credit union currently has deposits of approximately $500,000, and a majority of its depositors live in the Boston area.

The credit union does not invest any of its depositors' funds; all of its capital is loaned to members for a wide range of activities, including home improvement, small business start-up, and car loans. Recently, it joined in the effort launched by the state government to make credit available for the financing of alternative energy technologies in homes and businesses.

The staff consists of one full-time employee whose salary is approximately $10,000, a part-time employee, and volunteers from among depositor members. The all-women board of directors is responsible for handling delinquent loans, and several of its members are involved in a training program to improve their management skills.

Jamaica Plain Food Co-op
107 Amory Street
Roxbury, Massachusetts 02119
617-524-9315

A nonprofit food store selling meats, cheese, grains, produce, and baby food. Begun three years ago as a buying club by community members, it is now a storefront food store with over 500 family or group memberships.

The co-op is owned by the customers and the community. There is a monthly general assembly where policy is decided. Community members are employed, and the four workers manage the store democratically. Sales are currently $2,000 a week, and any surplus is given to the members in lower prices.

East 11th Street Housing Movement and Interfaith Adopt-a-Building
300 East 4th Street
New York, New York 10009
212-677-8700

519 E. 11th Street is the address of a five-story tenement on the lower east side of New York. Like other buildings on the block, it was the setting for arson and vandalism which, by the spring of 1973, forced the tenants out. When the owner abandoned the building in October, 1974, a group of neighbors negotiated with, and obtained from, New York City's Housing and Development Administration a $178,000 loan to rehabilitate it, after having purchased it from the city for $1,800.

The group, which consisted of a neighborhood organizer, an architect, an engineer, and residents of the block, completely restored the building in 2½ years. They did it through "sweat equity," the contribution of their own labor and the materials made possible by the loan. They learned the skills of plumbing, carpentry, and roofing, under the supervision of construction trade workers. They did not stop at rehabilitation. With a grant from the Community Services Administration, the tenement was not only weatherized, but a windmill was built on the roof supplying electricity to the building's corridors and partially powering the solar panels which, in turn, supply nearly 85% of the building's hot water and, indirectly, 20% of its heat. Eleven households now occupy and own the building.

519 E. 11th Street is part of a 30 square-block section of the lower east side, called locally by the name of "Loisaida." The population in 1975 was about 30,000 people: 55% Puerto Rican, 14% Black, and 31% mixed European ethnic. About one-quarter of the buildings at that time were abandoned, and the area had one of the highest crime rates in the city.

The cooperative urban homesteading on east 11th Street was, in large part, inspired by an organization established in 1970 known as Interfaith Adopt-a-Building. Set up primarily to assist tenant groups, this nonprofit corporation has since sponsored a variety of self-help projects, including the organization of several block associations, the rehabilitation of four tenements, and the building of small parks and recreational facilities in the community. Adopt-a-Building oversees a highly decentralized structure: the 519 project, for example, was managed by the E. 11th Street Housing Movement, a block association that got started with Adopt-a-Building's help.

In 1977 Adopt-a-Building earned $15,000 from its management and maintenance services and expects to double this amount in 1978. The bulk of its funds comes from commercial loans and government loans and grants. Besides making use of New York's municipal loan program, about half of the organization's 85 employees are CETA-funded; several of its projects receive HUD demonstration grants and 312 loan money; ACTION has assigned six VISTA volunteers; and recently it received a sizable grant from the LEAA's Community Anti-Crime Program. Overall, it has loans outstanding of nearly $3 million, most of which are from a consortium of New York banks.

Adopt-a-Building has served well as a framework for numerous self-help projects. Seven more rehab projects involving major energy conservation work are under way. The creation of the windmill and solar panels, the first of their kind in the city, led to the establishment of a separate nonprofit corporation specializing in technical assistance, research, and development in the areas of solar and wind power. An emerging focus is commercial revitalization and the creation of community-oriented business enterprises.

Broadway Local Food Co-op
164 West 100th Street
New York, New York 10025
212-662-0701

The Broadway Local Food Co-op began eight years ago as an effort to build a stronger community in the upper Broadway area of Manhattan, reduce the food costs of members, and promote discussion on food issues. It is a highly decentralized food cooperative constituted by nine block organizations that joined together to manage a food distribution center, operating out of a church basement. Although the co-op operates over a 100-block area, the heart of it consists of each of the nine block clubs. Food orders are placed at the block club level. Two representatives from each of the block clubs—18 individuals—constitute four committees that coordinate the co-op: an education committee that publishes a bimonthly newsletter; a finance committee that handles the bookkeeping; a food committee that supervises purchases and supplies; and a maintenance committee that, among other things, manages the co-op-owned truck. Every two weeks representatives from the block organizations meet to implement policy that is determined by biannual general membership meetings.

The co-op supplies to its 350 member-households about 50 different food and household items, including produce, dairy products, meat, bakery goods, and depending on availability, dried fruits, canned goods, spices, cheeses, household items, and natural foods. Each of the nine block clubs rotates every week in managing the orders, purchases, and distribution. Members place their orders through each block group; the block orders are combined into a master order which is completed over the weekend; and every Wednesday morning representatives from the block clubs pick up their orders at the church distribution center. All work is volunteer.

The co-op has accomplished its purpose of reducing food costs: produce costs 30-40% less than in supermarkets; dairy products, 25% less; and meat, 10-15% less. Members pay a 7% markup to cover overhead costs. The co-op makes purchases of about $5,000 each week. Since savings occur with a minimum purchase of a case of any item, it is estimated that at least 150 households are needed for the co-op to realize savings.

The co-op offers neighbors a lively context in which to interact on local concerns, and has given rise to various community projects through the individual block clubs—for example, baby-sitting cooperatives and projects that assist older citizens. The co-op has deliberately refused to expand into a storefront in order not to compromise its neighborhood character.

Twin Pines Co-op
The Community Action
Council Cooperative Association
382 Main Street
Port Washington, New York 11050
516-883-9777

The Community Action Council Cooperative Association is a successor to the Federal community action agency that operated in Port Washington, an urbanized Long Island town, in the 1960s. A group of community action workers who felt the federal program was too restrictive joined together to form a private, nonprofit community corporation that would serve the various needs of its membership. A nine-member board oversees the Association's enterprises: a food co-op; group insurance plan for homes and autos; free legal counselling; home heating oil contracts at reduced cost; an arts and crafts market for talented members who wish to supplement their income; a book exchange; a blood bank; a thrift shop; and, in the development state, a community service directory that will list members with skills such as in plumbing, carpentry, or electrical work, who are willing to work for other members in exchange for their skills.

The food co-op has 100 member-households who pay annual dues of $40 and are also entitled to all the other services. Members also have to work each month. Households that want the services other than the food co-op pay $10 dues. Begun in 1972, the food co-op currently does about $250,000 in annual sales, and sells a wide variety of food products. In the last few years it has also developed a wholesale trade and

a warehouse facility and now has 19 other food co-ops on Long Island that purchase its products, pay a $15 annual membership fee, and contribute to the co-op 1% of the volume they purchase. Twin Pines Co-op is becoming the hub of an evolving food co-op federation on Long Island.

The Association also has six social service agencies affiliated with it as organizational members, for whom the Association handles client services such as food stamp assistance. About 40% of the Association's membership receives some type of public assistance. The co-op and the other enterprises are nearly self-sustaining, except for small foundation grants, approximately $10,000 each year. The Association is grounded in a strong philosophy of cooperation and service. It publicizes its point of view through a newsletter and periodic workshops on health and other issues, and it is planning to market its food products off a truck in the poorest sections of the city. Three full-time employees manage all the activities, which take place under one roof, a building that houses social agencies and community organizations.

The Midwest

Uptown Neighborhood Food Co-op
4742 North Racine
Chicago, Illinois 60640
312-769-4431

The Uptown Food Co-op has been in business since 1972 in several locations in the Uptown area on the near north side of Chicago, a working class neighborhood that is one of the most ethnically diverse in the city.

It sells a large variety of bulk foods, dairy products, frozen foods, fruits and vegetables, and paper products to its 150 household members, as well as to nonmember customers. It also has a wholesale trade with some day care centers and a nearby Salvation Army lodge.

It began with $4,000 in seed money from the federal Model Cities program and some personal contributions, including a truck. It also has some small loans outstanding, which it is paying back on schedule. Two years ago, the Co-op was beset by an internal struggle between one group that wished to emphasize the health food concept and another group that wished to market food, processed and natural, at the lowest prices possible. The latter group prevailed, and after a slide in sales to a low of approximately $1,300 per week, sales have picked up to an average of $1,800 per week. Inventories have also expanded, as has the membership, and the Co-op is at the break even point where it's close to becoming self-sustaining. It has two full-time paid staff. The members are required to contribute three hours a month per household, and much of the volunteer work is directed at the packaging of bulk foods for sale. Members who fail to work have to pay a 15% markup on their purchases, as do the nonmember customers.

The Co-op publishes periodically a newsletter of information on nutrition, community activities, and items of interest, particularly to senior citizens. Its management is largely volunteer consisting of several teams that handle public relations, marketing, membership drives, and picking up the milk on a daily basis.

West Side Food Co-op
335 North Western Avenue
West Lafayette, Indiana 47906
317-743-9125

A not-for-profit grocery store selling natural and organic foods, cheese, produce, books, and some chemically-free meats. The co-op has applied for nonprofit corporate status, which is currently pending.

The grocery store is owned and controlled by the co-op members. Membership is $4 per year and entitles a member to vote for the board of directors, plus discounts on purchases. The co-op sells to non-members at a 40% mark-up, while members receive a 25% mark-up, or a 5% mark-up if they volunteer for two hours per week.

West Side Co-op started 10 years ago as a food-buying club run out of a member's basement. It moved to a storefront three years ago, and employs one full-time coordinator. The operation functions with the active participation of the 700 members.

The West Side Food Co-op currently has sales of about $12,000 per month, it has no debt, and returns the surplus to its members.

Morning Glory Bakery
104½ East Jefferson
Iowa City, Iowa 52253
319-337-3845

This is the community-owned nonprofit bakery associated with the New Pioneers Co-op Society. It produces whole grain, all natural bakery products, breads, granola, cookies, and natural sweets. The bakery was started by the food co-op, which had a need for natural bread. The baking was originally done at night in a commercial bakery. The bakery now has its own facilities and employs seven workers who manage the bakery themselves and earn $3 per hour.

The bakery supplies the food co-op with much of its produce and has sales of $1,200 a week. Volunteer members can learn to bake bread, and baking demonstrations are held for the community.

New Pioneer Co-op Society
22 South Van Buren
Iowa City, Iowa 52240
319-338-9441

This is a very large community-based co-op which operates a natural foods store, bakery, restaurant, and a credit union. Each of these enterprises is run by an independent board, which is responsible to the overall co-op society board. Except for the credit union, a membership in one confers membership in the others.

The natural foods co-op sells natural and organic foods in bulk, plus produce, cheese, books, and hardware. The society started as a food buying club seven years ago. A local health/natural foods store went out of business, and the co-op society purchased the store with loans from its members and the community.

The store currently has a membership of 1,000 families and/or local organizations. Members who work two hours a month at the food co-op, bakery, or restaurant receive a 20% discount. There are eight full-time employees earning $3.68 per hour, who collectively manage the enterprise. The members elect a board of directors which meets once a month. The food co-op has educational programs. Its surplus has financed the establishment of other enterprises.

Current sales are approximately $28,000 a month. The surplus which is deposited in the co-op credit union, is used to pay off some small debts.

New Pioneer Co-op Society Credit Union
22 South Van Buren
Iowa City, Iowa 52240
319-338-9441

A nonprofit, state-regulated credit union begun one year ago by people in the community and in the co-op. The depositors own, control, and receive the benefits of the credit union.

A board of directors is elected from credit union members. The members run the credit union on a voluntary basis. A loan committee approves loans to members primarily on the basis of need and risk. The goal is to have some of the financial assets of the community loaned to people who cannot qualify at local banks.

The credit union has $85,000 worth of assets and was recently commended by the State of Iowa for its rapid growth.

Northeast Neighborhood Improvement Association
5003 North Saginaw
Flint, Michigan 48505
313-785-7838

In March, 1976, community groups involved with three public schools in the northeast section of Flint received small grants from a foundation to use for their neighborhood's improvement. They formed the nonprofit Northeast Neighborhood Improvement Association for the purpose of housing rehabilitation and development. Six months later, the Association obtained a $30,000 foundation grant, which, along with $12,000 raised earlier, became the seed money for the purchase of several vacant homes from the city made available under HUD's Property Release Option Program (PROP). This program transfers HUD-owned properties at a nominal cost to nonprofit corporations.

In 1977, the Association rehabilitated 12 homes. The rehab work at first was done by sub-contractors. In September, 1977, the Association won a CETA contract from the city and now has 18 employees, five of whom are trainees from the community who perform minor rehab such as carpentry and masonry work; the rest handle lawn care, minor maintenance, and snow removal, which the Association undertakes free-of-charge for senior citizens and handicapped residents.

The Association publishes a newsletter and performs social services for community residents, including assistance in handling financial matters and obtaining credit for mortgages or home improvement projects. Most of the properties the Association rehabilitates are sold to residents; some are rented. If the board of directors of the Association determines that a household is a good credit risk, even though it is unable to obtain conventional credit to purchase a home, it will establish a land contract, whereby the Association holds the title, while the tenants make payments to it and are responsible for maintenance. Eventually, the tenants under this arrangement can purchase the property.

In 1978 an additional nine homes are scheduled for rehabilitation. Total assets of the Association are approximately $70,000, and at the current time it owns 13 properties.

East Town Printing
415 Ethel Street, Southeast
Grand Rapids, Michigan 49506
616-451-3025

The East Town Community Association, a nonprofit corporation, was launched in 1973 to serve the 10,000 citizens of the one-mile square area of Grand Rapids' East Town neighborhood. Two years later, the Association had become highly active and was publishing a newsletter twice a month.

As the cost of printing mounted and the need for printed material grew, a group of Association members conceived the idea of starting their own print shop for their own use and that of other neighborhood and nonprofit organizations of the city. With a grant from the Campaign for Human Development of the Catholic Church, East Town Printing was launched in 1975 and was able to purchase an old printing press. The firm is owned and managed by the Association. The editorial board and print committee are composed of neighborhood residents who perform all the necessary functions on a volunteer basis. The actual printing is done by a single full-time employee.

Since 1975, East Town Printing has trained about 14 people as printers. It does printing for three other neighborhood organizations at cost, for nonprofit organizations at 10% over cost, and has also developed a commercial business in printing calendars, menus, and business cards and envelopes. It has acquired a new press and an option on a third. Its capital assets are approximately $5,000. It expects to generate $20,000 in sales in 1978 and has no debt. As part of its work for neighborhood organizations, it requires them to send at least one member for training in the operation of printing presses.

With the success at printing, the East Town Community Association is exploring the possibilities of launching a community gas station, as well as housing rehabilitation projects.

People's Clothes
703 East Lake Street
Minneapolis, Minnesota 55407
612-823-7090

People's Clothes is a producer cooperative under the laws of Minnesota. This differs from consumer cooperatives in two ways: it is a profit-making firm; and its worker-producers are the sole owners. Three years ago, three sisters who sewed clothes in their homes began the enterprise with a start-up loan of $10,000 from a local community development corporation and an additional $13,000 in loans and a grant from a local foundation. It now manufactures a diverse line of women's clothing, and also does sewing work on contract with local firms. Six months ago, it opened a retail store. The manufacturing shop consists of five sewing and two cutting machines. Most of the clothing is made of cotton and is of simple, rugged design. Its draw-string garments have become fashionable. People's Clothes are marketed through two consumer co-ops in the Minneapolis area, one in Puget Sound, Washington, and one through the retail store.

The cooperative is owned and operated by 11 individuals who work at a flat hourly rate of $3.50 per hour and a piecework rate of $4 per hour. There are two retail and two wholesale managers. Decisions are made at weekly meetings. Initially, the firm was losing money, but sales have increased in the past three years. The retail store was opened to boost sales, and this has proved successful. Whereas

monthly sales in mid-1977 averaged about $2,000, wholesale sales currently average $4,000 per month, and retail sales stand at $3,000. In January, 1978, People's Clothes sought a Dun & Bradstreet rating, indispensable for commercial enterprises, and, having received a favorable one, can now obtain a line of commercial credit.

People's Clothes is one of the few remaining clothing manufacturers in the Minneapolis area and has received a great deal of publicity. Its products have been displayed in fashion shows, and the managers are confident that the firm has overcome the major financial and managerial roadblocks.

The major difficulty People's Clothes encountered in its early stages was a lack of technical and managerial expertise. According to one manager, this resulted from failure to consult with existing community organizations and local foundations which furnish financial and technical assistance to cooperative enterprises. Groups interested in starting up producer cooperatives are also advised to learn the laws regulating such enterprises and seek ways to establish a corporation that is able to raise money from shareholders, offering them a preferred status.

Forest Park Food Co-op
4385 Laclede Avenue
St. Louis, Missouri 63108
314-351-6680

A nonprofit, cooperatively owned food store selling natural and organic foods. The membership is composed of community members, and the co-op is run by a board elected by the membership.

The store is run by six part-time employees with members volunteering three hours per month. The co-op is managed in a democratic manner. Forest Park has been in existence for six years, is in debt, and puts its surplus back into the co-op.

Limit Avenue Food Co-op
554 Limit Avenue
St. Louis, Missouri 63130
314-721-1146

A nonprofit food store owned by the customers cooperatively. It was started as a buying club seven years ago by community members.

The co-op sells meat, cheese, grains, and produce. It serves 450 members, consisting of buying clubs and families. The members elect a board of directors of six people who set store policy. There are two paid managers, and members are expected to work three hours a month per two adults. The Limit Avenue Co-op is not in debt and has sales of $7,000 to $8,000 per week. Most of the surplus has been put back into the co-op in new equipment.

Mt. Auburn Good Housing Foundation, Inc.
2008 Auburn Avenue
Cincinnati, Ohio 45219
513-241-2581

Mt. Auburn is an inner-city neighborhood of Cincinnati comprising 470 acres and approximately 13,000 residents. It is located three minutes from downtown. Twelve years ago, a group of leaders and citizens in the neighborhood organized to reverse the area's decline. They were convinced that any further decline would eventually either destroy the area completely or else prompt its redevelopment as an upper-income community that would displace the original residents. Mt. Auburn was an historic community with exceptionally fine architecture. The group established a nonprofit neighborhood development corporation for the rehabilitation and redevelopment of the area. They received considerable support from churches, charitable foundations, and historic preservation groups, as well as from the residents themselves.

Their first project was to renovate an historic three-story, 27-room mansion that had functioned for years as a stylish brothel. That project started eight years ago and cost $186,000—$20,000 of which was obtained for equipment and materials from the existing Model Cities program, and the rest from private contributions, church and foundation grants, and fund-raisers. The corporation owns the building which now functions as a health center, operated by the city government, which rents the facilities from the corporation. A second building that had been a bar and rooming house was purchased, renovated, and transformed into a professional building. The corporation also owns 230 housing units, equipment, including a garbage truck which services its buildings, and a subsidiary management corporation which handles its properties and development work.

The Mt. Auburn corporation is governed by a board of directors, the members of which must reside in the neighborhood. Its staff of nine individuals performs all the management, financial, and clerical services. Currently, 40% of its income is derived from government funds, mainly community development block grant funds provided by the city. It anticipates that with the redevelopment of 200 more housing units, and a few other ventures under consideration, it will in several years be virtually independent of outside funding.

Cincinnati Food Co-op
245 West Macmillan
Cincinnati, Ohio 45219
513-621-8569

Begun six years ago as a 50-member buying club operating out of the back of a house, the Cincinnati Food Co-op has evolved into a 900-member enterprise that sells unprocessed foods, cheeses, frozen fish, juices, ice cream, and some kitchen utensils and household goods. The co-op is located in the basement of the Fellowship Christian Church, to which it pays rent. It operates Mondays through Thursdays, 3-9 p.m., Fridays, 11-9, and on Saturdays, 9 to 3. Its monthly sales grew by $9,000 from January, 1977, to January, 1978, and now stand at over $23,000.

Virtually all of the co-op's members contribute labor, which consists of a minimum of 1½ hours each month. The member/workers serve as check-out clerks. Two store managers and a part-time produce manager are regular staff. Members who fail to contribute labor for six months have their memberships cancelled. The co-op sells to some non-members who, along with non-working members, pay for goods at a 30% markup. Decisions are made at monthly meetings and are by consensus, although thought is being given to establishing majority rule.

The co-op is not only financially successful, but has also been a highly active community and political organization. In the past its members have conducted classes such as auto mechanics. With its approximately $7,000 surplus from 1977, it is planning to help launch other co-ops in the area. It is also active in a project to raise awareness of issues of food production and hunger in the Third World. The co-op puts a surcharge on goods imported from countries that have undemocratic landholding policies or otherwise undesirable food production policies. For example, it charges a surcharge on sesame seeds imported from Guatamala. The funds raised from the surcharge are used for its con-

sciousness-raising project, which among other things, will include a touring puppet show that will portray the issues before student and community groups. In this education campaign the Cincinnati Co-op is joined by others in the Federation of Ohio River Cooperatives.

All People's Federal Credit Union
4115 Bridge Avenue
Cleveland, Ohio 44113
216-961-6999

All People's Federal Credit Union was begun in 1970 by citizens on the near west side of Cleveland who were unable to obtain credit from conventional lenders. The near west side community is low-income and ethnically diverse, with a population of approximately 200,000.

When it began, the credit union had only a few hundred dollars. It had no outside technical assistance. Its legal and accounting needs were handled by the founding members themselves. A grant from the Catholic diocese covered the cost of supplies. A more recent grant from the Methodist Church has helped defray other operating expenses.

Currently, the credit union has $130,000 in assets. Since the beginning it has lent out approximately $500,000 in loans, primarily to persons who live in the bounded geographical area of the near west side. Loans have been used to assist individuals to purchase cars for use in employment (Cleveland has very poor public transportation), for home improvement purposes, and, in the case of one loan, for the purchase of a small farm in Ohio. In the first few years the assets doubled every year; though growth has leveled off somewhat, the credit union is still growing, and now has about 1500 depositors. The credit union has a policy of handling small loans that can make the greatest impact in the community.

All People's Federal Credit Union is governed by a board of directors, which currently includes two blacks, two Spanish-Americans, two Indians, and a few whites. The Treasurer is a full-time paid employee who handles all of the lending and loan collection activities. Recently, the credit union made an arrangement with the welfare department to receive welfare orders for the payment of rent, which speeds up considerably the transfer of funds for welfare recipients to the suppliers of services. This arrangement has also brought additional members into the credit union.

The major problem for the credit union has been to raise enough capital to cover a full-time salary, overhead expenses, and at the same time the payment of a dividend to the depositors. The current level of assets has not yet enabled the credit union to be self-sustaining. Grants from religious organizations have been indispensable. The credit union expects that when the assets reach above $200,000, it will be in a more independent position and able to raise the dividend rate, which currently is 5%. A full-time employee to handle loan collection and the lending applications has proved essential.

Food Communities Cooperative
12408 Euclid
Cleveland, Ohio 44106
216-721-3047

Food Communities Cooperative began eight years ago as a 25-member buying club that operated out of a church. In 1974 the co-op rented a storefront. It sells produce, health foods and grains, and some household and paper goods. Its membership currently stands at 400, of which approximately 100 are active members.

The co-op places emphasis on community participation. Membership involves payment of a one-time $10 deposit, which is returnable when a member leaves, and a $5 fee. Members are required to attend one orientation meeting to learn about the co-op movement and its purposes, as well as two general co-op meetings each year. Currently, the co-op is open only 3½ days a week, and its staff consists of a part-time accountant, a coordinator, and a cashier. Members are asked to work at least ½ hour every week, or its equivalent, in a monthly period for which they receive a discount. The co-op carries an inventory of about $8,000 and earns about $14,000 in sales per month.

Federation of Ohio River Cooperatives & Warehouse
80 East Swan
Columbus, Ohio 43215
614-228-3672

The Federation of Ohio River Cooperatives was begun in August, 1976, by members of a long-standing food co-op in Columbus, which is now called the 16th Avenue Food Co-op. Its purpose was to strengthen the cooperative movement in the Ohio River valley and to develop a more efficient supply and marketing system. In November of that year the Federation, also known as FORC, opened a warehouse, which currently services 75 member co-ops in a 200-mile area of Ohio, West Virginia, Indiana, and Kentucky. The warehouse has an average inventory of approximately $45,000, which consists of bulk foods, dried fruits, oils, and cheese. Cheese, which the warehouse primarily purchases from a cheese collective in Madison, Wisconsin, has become the biggest seller in the inventory.

The Federation's warehouse was launched with money invested by each of the member co-ops, which contributed the equivalent of one month's purchases. The warehouse recently purchased a trailer truck by borrowing $11,000 from individual members of the Federation who are being paid back at 6%. Monthly sales stand at $70,000 and are growing considerably. Since the warehouse began, several new co-ops have started up in and around Columbus.

The Federation also functions as a technical assistance group for other co-ops in its service area. For example, one weekend in March, 1978, the Federation conducted a series of workshops for affiliate co-ops in the areas of bookkeeping, financial management, and decision making. Seventy persons attended.

The Federation employs nine persons, and services its member co-ops with two trucks. It is planning to stock hardware and auto accessories, as well as food items. Its technical assistance activities as well as its overhead costs are supported by charging member co-ops 10% over cost. The Federation is accountable to its member co-ops.

Wright State University Co-op
2314 Duncan Drive Apartment #1
Fairborn, Ohio 45324
513-426-6970

Wright State University Co-op is a new food co-op begun two years ago as a food-buying club among 30 students. In September, 1977, the co-op moved into a university building where it has space free-of-charge, as a university organization that performs services for the students. Wright State University, a large university community, is located in a suburb of Dayton.

The co-op sells produce, cheese, meats, and a variety of natural foods. Largely a membership co-op, it requires members to work four hours per month, in addition to payment of

a $10 refundable fee. Members who fail to work have to pay a 15% markup on goods, but only 25% of the approximately 80 members are non-working. One group of members, elderly individuals who live at a nearby home for the aged, fulfill their work requirement by packaging honey and peanut butter, which they receive in bulk, for sale at the co-op. Currently, the co-op is open on Fridays only, but it expects in the near future to expand to a four-day week. All labor and management is done by members on a volunteer basis.

Besides the goods it sells, the co-op is very active in university-based education and community projects. At semiannual events like October Day, it has displays and lectures on nutrition at university functions. Members who are with the medical school have given lectures on first aid and home medical practice. Decisions for the co-op are made by consensus at monthly meetings, which a core of 25 members regularly attend, and recently a new constitution was drawn up.

The major problem the co-op confronted in its early stages was apathy. A small number of members shouldered most of the work. This problem has eased as the active membership core has expanded and activities such as dinners in members' homes and community services have been launched.

Madison Book Co-op
254 West Gilman Street
Madison, Wisconsin
608-255-9945

A nonprofit cooperative bookstore begun in 1969, selling used books out of an old schoolbus. At present, the enterprise operates a retail store selling new books, magazines, and used reading materials.

The members control the enterprise by electing a board of directors. The book co-op also consults with the community and supports various community activities. There are three employees earning $280 net income per month and they manage the store democratically.

The Madison Book Co-op has sales of $60,000 per year. It offers a 10% discount to its members and puts its surplus back into other community organizations and into new book inventories.

Common Market
1335 Gilson Street
Madison, Wisconsin 53715
608-251-5754

A nonprofit membership food cooperative selling a full line of groceries. The members own the co-op, elect a board of directors, and set policy by general meetings and referendums. There are four employees earning $3.30 an hour and members also are required to work. The Common Market has a sales volume of $6,500 per week and a small debt. Any surplus is reinvested in the store and put into the community.

Madison Community Co-op
1101 University Avenue
Madison, Wisconsin 53715
608-251-2667

A not-for-profit housing cooperative begun five years ago by 50 people contributing $20 each for the down payment on one large house. The members own and democratically manage the housing co-op through an elected board of directors. There are two paid employees and the assessed valuation is over $1 million. The co-op community as a whole owns the property—any single member does not have an ownership claim. Current debt is $300,000 to $400,000.

Consumer's Co-op Garage
665 East Washington Street
Madison, Wisconsin 53703
608-257-3666
608-256-9954

A nonprofit cooperative garage offering auto repairs and parts to its members. The garage was started by community residents who felt a need for low-priced auto repairs.

The garage charges members an annual membership fee and has certain workdays where members can use the garage and equipment and the staff provides technical direction. Classes are also run for the members and the community, covering various aspects of auto repair. The garage also does auto repairs for members at low cost. The employees are unionized and earn $4-$5 per hour. There are eight full-time mechanics who manage the shop democratically.

The Co-op Garage is community-owned and member-controlled through membership meetings where policy issues are decided. The garage has been in existence for five years. It has revenues of $125,000 this year. Any surplus is donated to neighborhood causes.

Nature's Bakery Co-op
1019 Williamson Street
Madison, Wisconsin 53703
608-257-3649

A for-profit bakery making natural breads, granola, and other products. It is collectively owned and run, having started as a home baking operation. Currently, it owns its own building and equipment.

It has eight full-time employees earning $2.50 an hour and trains people in baking. It closely relies on customer input through open meetings. At present the bakery is repaying a bank loan and would redistribute any future surplus to the community.

First Hub Credit Union
524 East Center Street
Milwaukee, Wisconsin
414-265-3517

A nonprofit neighborhood credit union. The organization has been in existence for three months and has a current deposit value of $35,000. The credit union was recently started with the support of churches and neighborhood organizations which also gave pledges of deposits. The community felt that there was not adequate credit available to its members and started the credit union. Loans are made to members of the community—mostly for consumer credit.

Each member of the credit union becomes a share owner, and all surplus is used to pay interest on deposits. The HUB currently has one employee and expects to expand as deposits increase. The members of the credit union elect a board of directors and are closely involved with policy decisions.

The West

Senior Citizen's Co-op
212 East Congress
Tucson, Arizona 85701
602-623-2872

A nonprofit grocery store catering to the needs of the senior citizen community. The co-op sells canned goods, lunch meats, and various foods which are pre-packaged and measured before sale. The co-op operated out of a storefront and was founded with a $5,000 grant from ACTION in 1974 for the purpose of providing food to senior citizens at very low cost.

The co-op is community-owned, with the co-op members electing a Board of Directors. There is a $1/year membership fee, which entitles the member to a two percent discount. To be a member, one must be 50 or older, or under 50 but living in poverty.

The markup is only 15%, and the co-op tries to carry foods in the quantities which their members can use. There is no paid staff; the store is run entirely by senior citizens who take a great deal of pride in their co-op.

The Senior Citizen's Co-op has a $5,000 inventory and sales of about $250 per day.

Alternative Energy Co-op
2600 Dwight Way, Room 204
Berkeley, California 94705
415-849-2816

The Alternative Energy Co-op, begun two years ago, functions mainly as an information clearinghouse and educational center for the application of alternative technology. A volunteer staff of six individuals offers courses on solar energy technology, designs solar technology, researches issues such as the appropriate technologies for various climates, and assists in the training of persons in alternative technological skills. The co-op maintains an office which sells and distributes books, pamphlets, and design plans relating to alternative technology. Staff members have designed and built solar water heaters and solar greenhouses. Some of their designs are on display at fairs and exhibitions.

The co-op expects to receive in the near future a nonprofit corporate status in the State of California. Support for their activities has come from individual contributors and benefactors. Its leaders are optimistic that in a few years' time the co-op will have evolved into a center for the design, construction and servicing of alternative technologies, and for community education in alternative technology.

Cheeseboard
1504 Shattack
Berkeley, California 94709
415-549-3183

A nonprofit, worker-controlled food and book store begun 10 years ago by two individuals who invested their personal funds. A board of directors supervises 15 employees, who earn on an average of $5 per hour.

Priority in hiring is given to community residents. Business meetings are open to the community.

Part of the surplus generated is distributed to community projects such as a nonprofit radio station, a health center, and an ecology center. In addition, discounts are offered to elderly, unemployed, and low-income persons. Buying clubs in the community participate in the enterprise.

Los Angeles Warehouse
(formerly Southern California Cooperating Community Warehouse)
2022 Sacramento
Los Angeles, California
213-466-0254

A limited partnership that is incorporating as a nonprofit worker collective. A group of individuals launched the warehouse to serve the needs of cooperative community food stores and raised some capital from individuals and community organizations.

Principally a trucker and marketer of organic foods, the warehouse assists in the development of community food stores and organic gardening. Monthly meetings are held with the food co-ops with which the warehouse does business.

In existence three years, the warehouse has eight regular employees earning $3 per hour, and three part-time employees. Sales are nearly $1 million annually, all debt has been paid, and the surplus generated is about $2,000 monthly, which is plowed back into the inventory.

Oakland Community Food Store
2710 Park Boulevard
Oakland, California 94606
415-832-2267

A nonprofit, worker-controlled food and household-goods cooperative begun 1½ years ago by five individuals who believed the city of Oakland needed a food co-op. It has a few full-time employees earning $250 per month, several part-time employees working two or three days a week, and as many as 20 volunteers working two hours a week in return for a discount on food purchases. Priority is given to hiring members of the community and third-world persons.

Business meetings are open to residents. Sales average $2,400 per week, and there is a small debt from a local food store.

Inner Sunset
1224 9th Avenue
San Francisco, California 94122
415-664-6411

A nonprofit worker-managed food store that specializes in health foods, it was established in 1976 by a core-group of 25 individuals who invested their savings and bought a storefront.

Members of the community can participate in business meetings, but decisions are made by the worker-owners. All employees work less than full-time, usually 5-15 hours weekly, and a large number of volunteers contribute smaller amounts of time.

Surplus is reinvested in the business, which also makes donations of food to needy persons. Inner Sunset helped establish a nearby community center.

Rainbow Grocery
3159 16th Street
San Francisco, California 94103
415-863-6835

A nonprofit worker-owned and managed food store specializing in unprocessed bulk and natural foods. Opened in 1975 by a group of followers of the Guru Maharaji, who invested in the business, the Rainbow Grocery employs 22 full-time and part-time workers at an average pay of $2.50 per hour. The community participates in business meetings.

The business has sales of $650,000 a year and has paid most of its debt except for notes on a few pieces of equipment. The owners recently opened a second store nearby that sells toiletry and clothing items. A $3,000 bank loan helped finance the second store.

Full Moon
4416 18th Street
San Francisco, California 94114
415-864-9274

A nonprofit coffeehouse and bookstore that is owned and managed by a worker collective. It was begun four years ago by five women to serve women in the community.

Initial capital was raised through loans and support from the Bay Area Feminist Union. Full Moon invites participation by the community in its business meetings. There are 12 employees paid on the basis of need. No information was available on sales volume, except that the business has met all of its debt.

Community Corner
47 Powers Avenue
San Francisco, California 94110
415-826-9850

A nonprofit, worker-controlled food store and nutrition education center in existence for three years. The neighborhood in which it exists has been actively involved in its creation and development. A board of directors drawn from the community supervises several full and part-time employees. The hourly wage is $2.75. Sales average $11,000 a month and a small debt is being paid off.

The Solar Center
62 Townsend
San Francisco, California 94102
415-957-9660

The Solar Center was started in May, 1977, by five individuals skilled in the design, construction, and installation of solar technology. They formed a worker-owned and worker-managed enterprise, the capital for which was raised by the individuals themselves. Sales have jumped from $25,000 in the second quarter of operation to $50,000 in the third quarter. Business decisions are made at weekly staff meetings.

The firm has designed, built, and installed solar water and space heating systems (including collectors, tanks, and plumbing), solar greenhouses, and hot tubs.

The main problem the Solar Center has encountered is developing adequate capital. Conventional lenders are not interested. Individual investors often wish to acquire control, which the group of owners do not want to relinquish. Materials are being purchased on credit, and the bills are being paid off on schedule. The firm has undertaken community-oriented projects, but is constrained from devoting much time to them, so long as the financial situation remains shaky.

Common Market Cooperative of Colorado
1329 California Street
Denver, Colorado 80204
303-893-3430

Cooperatively customer-owned food store operating in an old Safeway location. The store started as a buying club, moved to a storefront and in 1974 moved to its present location.

The workers are paid $3.22 per hour and are supervised by professional managers. Policy is set by a community controlled board and many decisions are made by referendum. The store has a weekly sales volume of $26,000. The co-op has been in existence for seven years and is quite successful.

Boise Consumer's Co-op
1515 North 13th Street
Boise, Idaho 83702
208-342-6652

A nonprofit cooperative grocery store selling natural and organic foods, produce, juices, soaps, and cooking utensils. The store was begun five years ago as a buying club, and currently is in a storefront.

The co-op is community-owned and member-controlled through an elected board of directors. The day-to-day operation is professionally managed with four full-time employees, earning $3 per hour. Members also help with the running of the store through a volunteer program.

The co-op has a membership of 1200 people who pay a lifetime fee of $7.50 for individuals and $15 for families. The co-op sponsors pot luck dinners and nutrition classes.

Current sales are about $20,000 per month, and surplus is put into new equipment and facilities.

Welcome Home Bakery
231 Southwest 2nd Street
Corvallis, Oregon 97730
503-753-4637

A nonprofit bakery making natural breads and tofu. The bakery is owned by the community and managed by a worker's collective. A privately owned bakery was purchased by members of the community who wanted a whole grain bakery. The enterprise was funded by individual loans and has been in existence for three years.

The collective trains people to bake bread and runs an occasional class in tofu making. There are 10 full-time employees and seven part-time workers earning a livable wage. The bakery sells $9,000 worth of bakery products a month. It is currently repaying a small amount of debt and in the future will return any surplus to the community.

Genesis Juice Co-op
P.O. Box 10511
Eugene, Oregon 97401
503-344-0967

A not-for-profit juice manufacturer. A private juice bar was purchased by a worker's cooperative of 12 people who manufacture and sell natural juices on a wholesale and retail level. The enterprise is worker-owned and worker-managed.

Meetings are open to the community. The co-op recycles bottles in the community. Workers are paid $2.50 an hour, and the juice co-op has sales of $10,000 per month. The co-op is currently paying off a large bank loan and will redistribute any future surplus in the form of lower prices.

Willamette People's Co-op
1391 East 22nd Street
Eugene, Oregon 97403
503-343-6694

A nonprofit membership cooperative started seven years ago. It was financed by a small membership fee and supported by university students and community people.

The co-op owns its own property and is, itself, owned by the community. There are eight part-time employees who earn a salary plus a food allotment. The co-op is very involved in its community. It supports a girl scout organization, works closely with the community school, and supports various community groups and functions.

There is one general meeting and quarterly meetings in which the co-op consults with the community on planning and policy. The co-op's surplus is reinvested in the store and put into a community sustaining fund.

The South

Summercorn Cafe & Bakery
401 Watson Street
Fayetteville, Arkansas 72701
501-442-5261

Summercorn was established four years ago by a group of students who formed a partnership and later was organized as a worker-owned nonprofit corporation. During its first three years it functioned as a three-table cafe with a small pizza oven for making bread. In the fall of 1977, Summercorn relocated in a new two-story mall created out of a warehouse. It now has a large new oven capable of producing 200 loaves of bread a day and an area for the cafe that can accommodate 40 people.

The bakery produces bread, cookies, granola products, and roasted nuts. The products are marketed by a local warehouse that serves cooperatives in a four-state area. The cafe operates 11 a.m.-4 p.m. on Tuesdays through Fridays and 5:30-9:30 p.m. on Fridays and Saturdays. It serves vegetarian foods—an extensive variety of dishes—and offers live music on weekends.

Summercorn Cafe & Bakery is involved in a great many community projects, among which are benefits to raise funds for local projects such as a recycling enterprise, the only one of its kind in the state. Its staff offers cooking classes to students and community residents and was involved in teaching the baking of bread to Headstart students.

The cafe and bakery normally employ eight persons and a number of people who volunteer their services. However, though business is increasing, particularly after relocating in the shopping mall, volume is not great enough to provide adequate wages to the employees—a major problem. Sales amount to about $150/day, on the average. Despite three bank loans and a few individual ones, amounting to approximately $15,000, plus increased overhead costs in the new location, the prospects are excellent for continued growth. The bakery is planning to develop its own packaging for the goods it produces and expects this will further increase sales.

The managers have learned that it is essential to explore all financial alternatives, including foundation support, prior to launching such an enterprise. Good legal counsel is important. Once an enterprise achieves enough sales and continuity, its experience is that additional financial support can be found from small foundations eager to support viable ventures of this kind.

Ozark Food Co-op
401 Watson Street
Fayetteville, Arkansas 72701
501-521-7141

The Ozark Food Co-op was begun seven years ago in Fayetteville, a university town of 15,000 citizens and 15,000 students. In 1977 the co-op nearly went bankrupt as a result of an internal struggle between a group of members who were more interested in political organizing than business management and a second group that was concerned about making the co-op a viable venture. From a $600/day business, sales plummeted to $80/day. With the help of individual loans the management group ousted the others and succeeded in reviving the business, which currently has sales of $500/day. Its roughly 1,500 customers can purchase produce, juices, breads, and natural foods. The co-op has achieved a city-wide reputation of being a leading marketer of herbs.

The Ozark Food Co-op is organized as a nonprofit enterprise with a board of directors. Effective management rests with a paid staff of three and about 50 volunteers who, in exchange for working, receive substantial discounts on their purchases. Paid staff members receive $200/month and work, on an average, two nine-hour days a week. The co-op also has hired a professional bookkeeper and a bookkeeping assistant, whose fees are paid in the form of free purchases. Having a professional bookkeeper has improved management enormously, since in the past the co-op had failed to keep adequate books, pay its taxes on time, etc. It has succeeded in reducing a $12,000 debt to a current $1,300, which is being paid off on schedule. Monthly membership meetings are held, and thought is being given to opening a book collective as well as a credit union.

Everyman Co-op
4902 North 12th Avenue
Pensacola, Florida 32502
904-438-0402

A nonprofit grocery store which started five years ago as a buying club. The storefront co-op sells natural and organic foods, cheese, and produce.

A $10 lifetime membership fee is charged for families, while senior citizens can become members free of charge. The store is worker-managed, with two full-time employees earning $3.50 per hour. Members own and control the co-op through a board elected from the membership. Members receive a discount for their volunteer labor.

Everyman Co-op is not currently in debt, and it has sales of about $10,000 per month. Citizen participation appears to be very strong in running the store.

Leon County Food Co-op
649 West Gaines Street
Tallahassee, Florida 32304
904-222-9916

A nonprofit customer-owned and controlled food co-op selling organic and natural foods. The co-op is managed by professional managers with most of the work done by customers on a percentage discount system.

Policy is set by a customer-elected board, and general meetings are held every three months. The store occupies an old A & P store and is financed through a bank loan and membership fees. The co-op has been in existence three years and does approximately $60,000 worth of sales per month.

Little Five Points Pub
1174 Euclid Avenue, Northeast
Atlanta, Georgia 30307
404-577-7767

In a deteriorated neighborhood, at a point between two highly organized neighborhoods, a group of 15 individuals in April of 1977 invested a total of $30,000 and obtained a total of $2,000 in local bank loans to establish a pub that would also function as a community and cultural center.

During the first three months it operated at a deficit. During the last six months the pub has operated with a profit. Current sales are over $25,000 a month, yielding a profit of about $1,500.

The pub has 15 stockholders, 13 of whom, having invested $1,000 or more, have voting rights in the corporation. A professional manager, with oversight of a board of directors of the stockholders, supervises 20 employees, who work 30 hours or more per week. The bartenders are paid $3 per hour and the waitresses $1.25 per hour, plus tips. Under an employee profit-sharing plan, after the dividends are paid to stockholders, the remainder of the profit is distributed to the employees and to community projects.

The pub has a capacity for 120 customers. It serves beverages and food. Two nights a week music is played, generally classical guitar or bluegrass. Once a month there are poetry readings which are published in pamphlet form. Art is displayed for sale. A community meeting room in the pub is used frequently by community and religious groups, as well as for issues forums and political meetings. The Mayor of Atlanta rented the room for a campaign rally.

Since the pub has been in existence, six new businesses have moved into the neighborhood, as well as a new medical practice and a theater group. It has become a favorite recreational spot for people throughout Atlanta.

Recently the pub obtained an SBA 20-year loan of $105,000 for purchase and renovation of its building. The board of directors is currently exploring ways to create a community foundation to channel surplus income to community projects.

Patch, Inc.
701 Kirkwood Avenue
P.O. Box 5301
Atlanta, Georgia 30307
404-525-6383

Begun six years ago as a meeting place for neighborhood youth, Patch, Inc. is involved in both community action and business enterprise. Organized as a nonprofit community development corporation with a board of directors in the Cabbagetown neighborhood of Atlanta, Patch, Inc. runs educational programs for youth, an arts and crafts program for adults and youth, and a furniture refinishing business.

A subsidiary, the Patch Country Store, sells crafts such as pottery and quilts. The Cabbagetown Food Cookbook, written by neighborhood people, is published and sold by Patch, Inc. and is into a second printing.

Patch, Inc. has had $45,000 in grants from the National Endowment for the Arts and the Community Services Administration, which require matching funds that have been obtained from local foundations and churches. A $6,000 bank loan is being paid off. Since April, 1977, the Patch Country Store has had monthly sales of $2,000.

There are 12 employees, including some CETA workers, annual wages of $8,500-$9,000, with priority given to members of the community. Patch, Inc. plans to create for-profit subsidiaries, one of which will build traditional mountain furniture in partnership with a local company.

Morning Star Cafe
433 Moreland Avenue
Atlanta, Georgia 30307
404-525-2710

A nonprofit, natural foods restaurant serving vegetarian meals. The restaurant was an outgrowth, in 1971, of student interest in natural foods at Emory University.

There are six employees earning $2.60 per hour and one manager. Members from other nonprofit community organizations sit on the board of directors.

The restaurant tries to introduce natural foods to the community by inviting various groups, such as children from a nearby home for delinquent children, to the restaurant.

The restaurant is currently paying off some debts and has sales of about $6,000 a month.

Savannah Food Co-op
350 Barnard Street
Savannah, Georgia 31401
912-223-1683

A unique nonprofit, community-based grocery/convenience store. One half of the stock is comprised of standard supermarket-type products—beer, cigarettes, etc. The other half is natural and organic food, sold in bulk.

This store is cooperatively owned and run by the members, who pay a $5 annual fee and receive a 10% to 30% discount, depending on the number of hours they work as volunteers.

The store is strongly rooted in the community and wants to meet all of its members' needs while promoting the value of natural foods. The membership is very divided over the issue of what products should be sold. The store presently believes that it is best serving the community's needs by selling items which are popular with the community at large.

The co-op acts as a resource center for nutritional information. School groups come for educational visits to the store.

The co-op was started three years ago by seven families as a buying club. As the club grew, the operation went to an every-other-week storefront. About a year and a half ago, a neighborhood food/convenience store went out of business. The co-op purchased the store and financed the loan through a local bank with the aid and support of community members.

The co-op has a large mortgage which it is paying back on time. Current sales are approximately $8,000 per month. There are two full-time employees.

Good Foods Co-op
314½ South Ashland Avenue
Lexington, Kentucky 40502
606-266-0608

Good Foods Co-op began five years ago as a buying club that operated out of the members' garages. After a year the members incorporated and moved into a storefront, and now have approximately 1,000 member households. The co-op's growth is illustrated by the volume of sales in 1977 over 1976: $125,000 annually versus $96,000. Not only has the co-op

expanded its membership, and relocated several times to obtain greater space, but it has also expanded its product line. The co-op sells not only health foods, cheeses, and produce, but it is beginning to stock household goods such as cookware and, also, books.

Good Foods Co-op sells only to members who pay a $6 initiation fee and $3 in annual dues. They must also agree to volunteer four hours every three months. There is one full-time employee who manages the co-op and three part-time employees, in addition to the member-volunteers. The co-op offers classes in nutrition and health issues in the community.

Southern Consumer's Cooperative
P.O. Box 3005
Lafayette, Louisiana 70501
318-232-1126

Begun in 1961 by a social activist priest and a group of church people organized in several parishes, Southern Consumer's Cooperative incorporated as a nonprofit institution in 1964 with $18,000 in capital. Organized as a holding company, it has created several enterprises over the years—a loan company; a bakery launched in 1964 with an SBA loan and which was the first of its kind to produce fruitcakes marketed nationally; a trailer park camp; a land development company; and a newspaper. The Southern Consumers Education Foundation is the Cooperative's vehicle for community organizing and consumer education.

Unable to obtain conventional bank loans, the loan company was established by a few hundred individuals each of whom contributed $300 in exchange for shares in the company. It offers loans of all kinds and today has about $300,000 in capital. A parcel of land which was bought with investors' money appreciated considerably and will be used for a land development program. The Cooperative has 2,500 members, 50 to 100 of whom are active. Each enterprise has its own board of directors. The Cooperative has at present no government funds, and a small debt is being paid off on schedule.

Southern Consumer's Cooperative encountered two problems in its evolution. Convincing individuals to invest in it was a major hurdle at first, but an intensive educational campaign and the reputation of the founder-priest eventually won investor support. The second problem was political. The leading politicians in the area opposed the Cooperative, in part because during the late 1960s co-op leaders were also leaders of the local anti-poverty agency and, therefore, exercised control over federal funds. The conflict between the co-op and the politicians finally was resolved when the political opponents were turned out of office.

Delta Foundation, Inc.
819 Main Street
P.O. Box 588
Greenville, Mississippi 38701
601-335-5291

Delta Foundation, Inc. was begun in 1969 by 14 black civil rights organizations that pooled their resources to launch an economic development corporation to serve the multi-county area known as the Mississippi Delta. It was launched with private funds: $20,000 raised from individuals and organizations; a $50,000 loan from the Episcopal Church; later, a $350,000 loan guaranteed by the Small Business Administration; and technical assistance provided by the Cummins Engine Company. The first federal funding was an $88,000 grant in 1972; since then the Foundation has received about $4 million in federal funds.

The Foundation, as a nonprofit community development corporation, created two for-profit venture capital and holding subsidiaries—Delta Enterprises, which in 1977 had total sales of approximately $7 million and employed nearly 300 persons; and Delta Development and Management Corporation, which that year had over ¾ million dollars in assets. Delta Enterprises has three wholly-owned businesses—Fine Vines, Inc., a blue-jean manufaoturer with a production level of 1,500 dozen per week that services contracts including the J.C. Penney Company, in addition to producing its own label; the Mid-South Stamping Company, a job shop metal stamping firm that also manufactures residential exhausts and folding attic staircases; and Electro Controls, Inc., an electronics manufacturing firm of pressure switches, relays, and current sensors. Delta Enterprises is now the 43rd largest black enterprise in the nation. The Development Corporation has interests in 24 firms, among which are a 4,000-acre cotton, wheat, rice, and soybean farm; a car dealership; six supermarkets; a bicycle parts manufacturer; a retail clothing store; a 76-unit housing project; and an fm-radio station.

The Delta Foundation's enterprises have had a substantial impact on job training and employment, especially in Greenville, a city of 40,000 residents, where the blue-jean manufacturing plant operates in a former department store in the downtown area.

Amigos Unidas Credit Union
P.O. Box 114
San Juan, Texas 78589
512-787-6081

In 1968 a group of residents of San Juan, population 7,000, had the idea of creating a community credit union because of the difficulty they had in obtaining credit through conventional sources. With $150 raised by their own group, they organized the Amigos Unidas Credit Union, which was chartered in 1969 after obtaining the minimum of 125 depositors. The process of attracting depositers was difficult at first, but through many meetings with citizens in the schools and through community organizations, they succeeded. Within one year the credit union had $2,000 in deposits. Today Amigos Unidas has 6,000 members, 75% of whom are farmers and migrant workers, and over $2 million in deposits. The credit union built its own buildings to house its two offices, which are in good locations, and as a result a great deal more business was generated.

The bulk of loans goes to mortgages and home improvements. A major loan financed the development of a 20-acre housing subdivision and the 16 homes that so far have been built. Loans for homes have a 9% interest rate, as compared to the 9½ to 10% rate that is charged by other lenders. The credit union has also financed the purchase of materials and machinery by farmers' cooperatives. Loans are not made in excess of $5,000. Amigos Unidas has not yet developed enough capital to be able to go into greater commercial activity, which eventually it plans to do.

Roanoke Cooperative Association
2001 Shenandoah Avenue, Northwest
Roanoke, Virginia 24017
703-343-5652

Appalantic Federation of Cooperatives
Box 1164
Roanoke, Virginia 24006
703-344-8637

Begun 5½ years ago as a food buying club involving 10 to 15 families, the Roanoke Co-op recently moved into a 4,500 square feet storefront, has 1,800 members, annual sales of $250,000, and approximately $15,000 in assets. The co-op sells natural foods, as well as cheeses, teas, and produce. Membership involves the purchase of at least one $50 share, or else annual membership dues of $6 over a period of 10 years. Members who contribute labor receive discounts on their purchases. Forty members serve as volunteer managers working three hours a week. About half the members put in 12 hours each year as volunteers. There are three part-time workers, and no full-time employees.

The rapid expansion of the Roanoke Co-op has brought with it some problems. Four times the co-op relocated in larger storefronts. In the last two years this expansion has meant an increase in rent from $125 to $500 a month, plus a jump in salaries from $300 to $1,400 a month and more expensive machinery to operate. The increased overhead has so far not been covered by commensurate increases in earnings and, therefore, the co-op has had to cut into its capital during the last year. A related problem has been one of supply. Two years ago the co-op helped establish a natural foods warehouse called the Mountain Warehouse, which services the co-op and similar enterprises in the region. So far, however, the co-op receives its major deliveries from the warehouse on a monthly basis, though the warehouse is working toward a biweekly delivery capability. As a result, the co-op's inventories are rarely adequate to meet demand. To handle the supply problem and to stimulate local production, a group of co-op leaders formed the Appalantic Federation of Co-ops, which assists the development of other co-ops in the region as well as promotes new local agricultural products which would be marketed through the warehouse and co-op system.

The Roanoke Co-op is currently considering reorganization, including the hiring of a full-time paid manager. Some members want to evolve into a regular supermarket-style store. Others wish to have it remain a natural foods outlet. The current financial squeeze will require remedies, which include the prospect of relocating in a cheaper storefront.

In addition to selling natural foods, the co-op has undertaken extensive nutrition education activities, including publication of a newsletter. The recent financial pressures have, however, slowed down the development of these activities. One of the co-op's recurring concerns has been to balance good management practice with member participation and volunteerism. As the co-op grew, and responsibility devolved on a small group of active members, broader membership participation waned. Nevertheless, experience has shown that a balance has to be struck, since there is no alternative to sound and professional management practice.

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APPENDIX

Follow-Up Survey Questionnaire for Neighborhood Enterprises

My name is _____. I'm calling on behalf of the National Association of Neighborhoods in Washington, D.C. With a grant from the Charles Kettering Foundation, the Association is doing a survey of neighborhood-oriented economic enterprises in cities across the country. We learned about your enterprise from people in the community.

I would appreciate a few minutes of your time to answer some questions about your enterprise. This information will be useful to neighborhood organizations concerned about economic development. The immediate goal of the survey is to identify successful enterprises that serve the needs of their neighborhood.

1. Is your enterprise for profit or nonprofit? Profit _____ Nonprofit _____

2a. What products, or services, does the enterprise market?

_____

_____

_____

_____

2b. Does the neighborhood community participate in any way in the planning, operation, or policy of your enterprise?
_____Yes _____No
Explain: _____

_____

(If "no participation"):
Terminate interview
Thank the respondent

(If "community participates"):
Begin with question 2a.

3. Could you tell us how your firm started up? Whose idea was it? What technical assistance and funding did you obtain, and from what sources?

_____

_____

_____

_____

4. Who owns your enterprise?
_____stockholders
_____community, or community development corporation
_____the workers
_____single proprietor
_____customers cooperatively on a _____equity or _____non-equity basis
_____other (explain)

5. Who manages your enterprise?
_____professional managers
_____workers
_____community board/assembly
_____community and worker board
_____customers cooperatively
_____other (explain)

6. Can you describe the ways the community participates in the enterprise:
   _____receives or controls profits
   _____elects board of directors
   _____consults with community or its organizations on planning and policy
   _____business meetings open to neighborhood residents
   _____church involvement
   _____other (explain)
7. How many years has your enterprise been in existence? _____
8. How many full-time employees are there, and what are the wages they earn?
   _____employees earning _____/hour
9. How many part-time employees are there?
   _____part-time employees
10. How many, if any, volunteers, and how many hours do they work?
    _____volunteers working _____hrs./week.
11. Does your enterprise give priority to the hiring of members of the community?
    _____yes_____no
12. Can you estimate the enterprise's current sales? _____sales
13. Are you in debt? _____yes _____no
    (If "yes"): Relatively large_____ small_____
    Is your enterprise paying the debt back on schedule? _____yes _____no
14. Are you making a profit or surplus? _____yes _____no
    If yes, where does it go? _____

Thank you very much for your assistance.